FORECAST OF GEORGIA & ATLANTA

1989–1990

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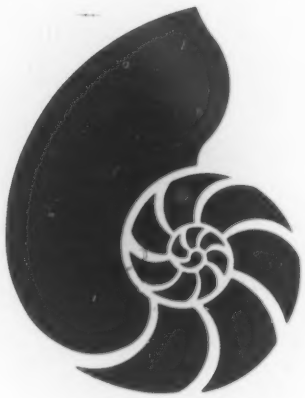
FIVE-YEAR FORECAST OF ATLANTA

GEORGIA STATE UNIVERSITY
COLLEGE OF BUSINESS ADMINISTRATION

November 1989
Dr. Donald Ratajczak, Director



ECONOMIC FORECASTING CENTER

GEORGIA COOLS AS ATLANTA BEGINS GROWING AGAIN

Dr. Donald Ratajczak
Director
Economic Forecasting Center

SUMMARY

Through the first half of 1989, the Georgia economy outside the metropolitan areas continued to grow above national rates even as the metro areas, and especially Atlanta, stalled. Finally, Atlanta shows signs of modest recovery, but the remainder of Georgia is now weakening, as the strong dollar and weak construction have taken a toll from textiles, apparel, lumber, paper, and carpeting activity. For the summer quarter, Georgia's coincident indicators actually dropped by 0.5%, following an anemic increase of 1% at seasonally adjusted annual rates during the spring. This suggests that Georgia's gross state product may have declined slightly this summer.

Fortunately, the leading indicators have rebounded smartly following a serious slump during the spring. Construction contracts are turning up, consumer spending is beginning to stir and the manufacturing workweek is gradually lengthening. As a result, positive economic growth should reappear by the end of this year. Nevertheless, gross state product will increase less than 2% this year and continue to gain only 2% next year. Only in 1991, when the state product should be increasing nearly 3% will the state regain growth faster than the nation. As a result, unemployment is expected to drift up to 6.2% in 1990 and 6.3% in 1991. Employment gains, which will slow to 2.1% this year, will increase only 1.7% next year and 2.1% in 1991.

Weak employment gains will restrain personal income to increases of only 7.4% this year, 7.1% in 1990 and a still sluggish 7.5% in 1991. These reduced employment and earnings opportunities will slow migration into the state. Nevertheless, population gains are expected to slow only moderately from 1.8% in 1989 to a still satisfactory 1.5% gain by 1991.

Obviously, sluggish employment and income growth will restrain growth of state budgets. However, the sales tax increase insures revenue gains approaching 10% this fiscal year. The loss of tax collections for some food items next September could lower collections to only slightly more than a 5% gain next year before normal growth provides 8.5% revenue gains in the subsequent fiscal year. This means no current budgetary restraints exist, but a problem may be looming for the next fiscal year.

RECENT CONDITIONS

On a quarterly basis, the Georgia coincident indicators do not look very good. A modest increase during the second quarter has been converted into a moderate decline in the summer months. The import index of total hours worked declined for the second consecutive quarter, although the rate of weakness was less than in the spring. The monthly payment for unemployment claims rose more than 18% and corporate tax accruals in Georgia fell a sharp 19%. Only a strong showing for total revenues prevented an even further drop in the index. However, some of that gain was the result of changes in sales tax rates and does not reflect strengthening tax bases. According to these measures, Georgia's gross state product was up only 2.1% from the third quarter of last year during the summer months. This compares to a gain of 2.9% for the nation.

The less reliable monthly measures of these indicators are more promising. According to these indicators, the Georgia economy began expanding again in August and all the indicators were ahead in September. However, the preliminary estimates of payroll employment show that seasonally adjusted employment was falling in September. At best, these indicators suggest that the dip in Georgia activity probably ended this during the summer.

The monthly leading indicators also were all positive in September, but they were also positive, on balance, for the quarter. Of course, sales tax receipts were up sharply following rate changes during the spring, but taxable sales also have grown from their anemic 0.7% gains from the previous year during the second quarter. Residential and nonresidential construction permits improved following a disastrous spring. Initial unemployment claims and bank deposits contributed negatively to the indicators during the quarter, but their weakness was minor, in contrast to earlier performance. The leading indicators have been improving relative to the coincident indicators, suggesting that current declining activity is unsustainably weak. As a result, some modest improvement in economic activity should be expected during the important fall shopping season.

The slump in durable goods employment appears to have run its course, for now. Lockheed is scheduled to reduce employment further in the fall, while GM has announced that the Lakewood plant will be idled by the end of March. This will eventually reduce employment in transportation equipment by an additional 3500. However, production of autos resumed late in the summer, causing a rebound on a seasonally adjusted basis. However, the slide in the construction related lumber, furniture, and stone industries continued. Weakness also persisted in the electronics and electrical industries, although the metals and nonelectrical industries showed some gains.

Despite news that a new tire company wishes to use the old firestone plant in Albany, most of the trends remained downward for nondurable goods production. Apparel employment continued to shrink in the state while the carpet industry finally stalled following nearly 5 years of uninterrupted expansion. Other textiles also were weak. Paper and leather goods production also softened. Food processing and chemical production turned up, but that was not enough to offset the declining forces in the other sectors.

Construction employment slipped further, but some stability appeared to be surfacing by the end of summer. Permits also suggest that this industry may be slowly turning upward. Not many new stores will be needed, however. Yet another chain has disbanded operations in Atlanta. Employment in retailing has been slipping on a seasonally adjusted basis since last winter. As a result, previously strong gains in wholesale activity have been reversed. Cost controls in the finance sector have stopped employment gains there, while the sluggish real estate market is closing employment opportunities in that sector. Stock market gyrations continue to weaken brokerage activity, where average earnings are off 30% from two years ago. Lower occupancies have reduced employment in the lodging industry and the growth in business services also appears to be on hold. However, health services continue to boom in Georgia, just as they are doing nationwide.

With the outbreak of peace in Europe, civilian defense employment has begun to decline. Further modest declines are expected, although continued movement toward operational status at Kings Bay should prevent any serious dip from developing in the absence of division reductions. Other federal employment also has stalled following strong increases earlier in the year. Added revenue from the sales tax increase has translated into increased state and local employment. Budgetary constraints should be sufficiently absent permit further modest gains in these government areas for the next two years. However, the next fiscal year could provide some budgetary problems if resources are not allocated wisely.

Aside from government, improvement also is being registered in the transportation sector, as Eastern begins rebuilding its operations at Hartsfield. Partially moderating these gains are reduced operators being employed in communications because of advanced switching systems. Despite the importance of communications in the Atlanta area, these technological changes should prevent any meaningful employment growth in communications during the next two years.

This reduced employment growth has been reflected in personal income gains. In the second quarter, nonfarm personal income growth in Georgia was only 7.2% from the previous year, as compared to 8.4% for the United States. It experienced the largest decline in durable manufacturing earnings of all the states over that period. The state trailed the nation in all major sectors except the insignificant mining sector and government. As a result, Georgia's nonfarm income should fall to 2.36% of the nation in 1989 before gradually recovering by 1991. Within the region only Alabama, Arkansas, and Louisiana performed more poorly.

Fortunately, farm income is up by nearly 38% from the previous year because of favorable prices. Also, sharp increases in property income, unemployment benefits, and other transfers provided better than national percentage gains to Georgia's purchasing power. Wages and salaries, by contrast, were up only 0.8% versus 2.2% for the nation during the second quarter. No sector showed stronger earnings gains in the quarter than in the nation, except forestry and fishery activity. In addition to a 3.5% decline in durable manufacturing, earnings fell by 0.3% (vs. a 1.5% national gain) for retail and by 0.7% for military payrolls (which were unchanged for the nation. In the finance group, earnings grew 2.5% vs 6.5% nationally while the transportation services group showed little growth in comparison to gains of 2.2% for the nation. Even the service sector trailed national performance by growing 2.4% as compared to 2.9%. Similarly, poor performances are expected for the third quarter before activity improves late in the year.

Georgia taxable sales preserved their 0.7% year over year gain in the spring. Thus, consumption remained at a meager 4% gain from previous year levels after adding a 7% gain for service activity. Although income gains are slowing, this consumption is nearly 3 percentage points less than the growth of disposable income. Clearly, Georgia households are not confident about the economy at the present time and are saving much more significantly than nationally. With such poor sales volume, retail employment has declined. However, no further dramatic increases in savings are expected for Georgia households. Therefore, a rebound in taxable sales to 6% gains are expected by year-end. This would justify employment gains of nearly 3% in retail activity for next year.

Georgia's insured unemployment rate does not reveal the weakness registered in other statistics. By September, the insured unemployment rate had dipped to 1.2% from 1.5% in June. Seasonal factors account for some but not all of this change. In Atlanta, the insured rate again fell to the full employment level of 1.0%. By contrast, the national rate has continued to fluctuate between 2.1% and 2.2% during the past three months.

For the first time in several years, employment gains are similar for the household and payroll reports. By September, household employment was up only 37.7 thousand from the previous year. Because the labor force grew faster, causing unemployment to rise by 0.5 percentage points. In the U.S., by contrast, unemployment has eased down 0.1 percentage points over this time. Augusta has lowered its unemployment to 5.6% from 6.0% a year ago, as employment gains remain moderate and labor force gains are slowing. A decline in the Savannah labor force has been stronger than reduced employment to lower unemployment rates in that city to 5.7% from 6.0% over the past year. In Columbus and Albany both employment and labor force increases have been modest, retaining unemployment at 6.4% and 8.7% respectively from the previous year. With half the employment gains of the state, Atlanta has been able to restrain the rise in unemployment to only 5.7% from 5.4% a year ago. In Athens, a surging labor force has overwhelmed 2.4% employment growth in the household surveys to increase unemployment to 5.6% from 4.2% last year. Strong labor force gains also are responsible for the surge in unemployment from 4.7% to 5.6% in Macon.

The latest payroll estimates for Augusta show a city whose employment gains have vanished. Nondurable manufacturing shows some gains, especially in textiles and apparel, but lumber and the glass group have experienced some employment declines. The trade, transportation, finance, and government payrolls all have stopped growing, although construction continues to advance. Single family housing activity has been strong but apartment construction has been weak. Taxable sales and department store sales are surprisingly strong for an economy that shows little growth in retail employment. As a result, some gains in retail employment should develop later this year even as construction slows slightly.

Macon's payroll gains continue to perform better than the household estimates, showing gains of 2.5% for the year. Manufacturing payrolls show little change, although gains have occurred in the textile and chemicals areas. The strongest employment gains are in government payrolls and finance, both of which should not be sustained. By contrast, the trade group shows minimal gains. Housing activity remains soft, with permits down 50% from the previous year. In addition, taxable sales have been surprisingly weak, justifying the flat employment performance for retail activity. Gradual slowing in payroll growth should be expected later this year and next.

Savannah's payrolls show some gains, suggesting that the household estimates are too pessimistic. However, employment gains should be a sluggish 1% this year. Manufacturing shows little change, although paper and chemicals are up while transportation equipment and food processing are down slightly. Transportation continues to rebound strongly at the port, but retail and service activity show little growth. Federal employment has eased, along with financial activity in the city. Apartment construction is nonexistent while single family activity is off 50% from the previous year. Sluggish taxable sales are consistent with the lack of retail activity.

Mortgage rates are gradually declining and should be near 9% by next spring for a fixed 30 year contract. By September, however, mortgage rates still remained nearly 0.7 points above last year at 10.14%. Nationwide, the average house cost $16,600 above previous year levels. In Atlanta, the effective rate already was below 10%, but remained more than a percentage point above the previous year. The average house was $32,200 above the previous year at $161,600. Those housing prices are expected to weaken slightly because of excess inventory in the Atlanta market.

Higher sales taxes are generating 15.1% revenue gains for Georgia during the first quarter of this fiscal year. Clearly, revenue gains in excess of 10% can be expected for this fiscal year. However, the loss of revenue from exempted items next September will lower revenue gains to only 5% next fiscal year, causing serious budgetary restraints. A return to 8% revenue growth is expected for the year after that. This quarter's revenue gains contrast with increases from the previous year of 12.5%, 13.3%, 6.4% 6.8% and 4.8% in previous quarters. Clearly, revenue growth without the sales tax increase would not have been adequate to meet budgetary needs.

Sales tax collections are up a strong 30.9% for the quarter with the aid of the rate increase. In previous quarters collections grew 21.8% (only 2 months of collections with the new rate), 3.7%, 4.6%, 3.3% and 4.9%. Gains remained at 30.5% in September. All state and local governments experienced increases of 7.0% for the quarter. This compared with increases of 6.5%, 6.7%, 7.0%, 5.1% and 7.1% in previous quarters. Reflecting poor income gains, personal income tax collections rose only 8.2%. In previous quarters, gains were 18.9%, 17.4%, 11.5%, 10.5%, and 4.6%. All state and local governments showed gains in personal tax collections of 8.9%. In previous quarters, the gains were 8.2%, 8.6%, 8.1%, 11.7%, and 1.9%. In September, the Georgia increase had widened to 15.7%. Corporate tax collections were up a paltry 0.3% for the quarter and 4.5% for September. Of course, this was better than the 13.9% plunge in the spring following gains of 41.3% and 32.5% in previous quarters because of a change in the timing of payments. Of course, all state and local governments probably will experience a 16.9% decline in collections according to our estimates. Collections were off 5.6% in the second quarter but rose 3.0%, 10.8% 13.3%, 7.8%, and 14.1% in previous quarters. Thus, Georgia's corporations probably are doing better than those nationwide during the summer.

SUMMARY OF OUTLOOK

Further announcements of plant closings will continue to reduce employment in durable manufacturing through 1990. In addition, the dollar's strength has weakened American competitiveness, especially in the textile and apparel industries. Some of the banks have become more cost conscious, the brokerage industry again is worried about costs, while real estate is sagging throughout the state. On the other hand, retail and wholesale trade already have adjusted to sluggish sales activity, some of which is because of unusual savings increases by Georgia households. This savings growth soon should slow, opening opportunities in retail

employment. Also, Eastern airlines is rebuilding around the Hartsfield hub, which is adding employment to the transportation services sector following a sharp decline earlier this year. Indeed, our indicators suggest that the low point in this Georgia correction was reached during the summer, and that activity will slowly increase into 1990. Although employment gains are expected to slow to only 50,600 jobs in 1990 from 59,300 jobs this year, activity will gradually expand from the 38,000 above previous year levels that occurred in September. Job growth of 62,300 is expected for 1991 as a result of an expected downturn in the national economy.

In manufacturing, solid gains still are occurring in fabricated metals and food processing. The insurance, business and health services sectors also are showing solid gains. Government payrolls also will help the economy move forward. Nevertheless, the weakness continuing in manufacturing, retailing, and construction should cause Georgia to generate a slower rate of job growth than nationwide until 1991.

While the 1% sales tax provides ample revenue to meet current fiscal needs, a sharp slump in revenues is likely as food items are exempted next September. Therefore, revenue gains of only 5% are likely that year. This could restrain government growth at that time, unless the exemptions are repealed or some other taxes are levied.

The strong increases in farm income are not expected to persist. Prices should be less favorable for Georgia farmers this year and next even though growing conditions may be more favorable. Property income also cannot continue to grow more rapidly than nationwide. Indeed, most Georgians probably added those returns to their portfolios and consumed relative to their wage incomes, which grew surprisingly little. As employment gains approach those nationwide, personal income once again will grow in line with national conditions. In 1991, growth should actually be above national levels.

Of course, the reduced employment opportunities and rising unemployment will restrict population movements into Georgia. Nevertheless, migration to the state will persist, if at reduced rates.

If the current outlook has a silver lining, it is that Georgia is slowing before the nation. Therefore, most of the adjustment in retailing, manufacturing, and construction will be completed before the national economy imposes its own slowing upon economic activity. However, the weakness in the textile and apparel industries suggests that the downturn in Georgia will not be followed by any rapid recovery. An upturn in the indicators suggests that further negative quarters of economic activity will not occur. As a result, this period of stagnation probably will not classify as a recession for Georgia. On the other hand, one negative quarter of activity already has occurred and further weakness cannot totally be ruled out. In this economic climate, the conservative spending patterns of Georgians are not likely to change very rapidly.

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FINALLY, A MILD ATLANTA REBOUND IS DEVELOPING

RECENT CONDITIONS AND OUTLOOK

In this year's first half, Atlanta was falling while the remainder of the state was outperforming the nation. By the end of the second quarter, both Atlanta and the stated began slowing relative to the nation. However, a temporary rebound in auto assembly as well as the bottoming of construction weakness have begun to turn the Atlanta economy upward just as the state's economy has begun to subside. From a low of less than 19,000 in June, payroll employment in Atlanta has now increased to 25,000 above previous year levels in September. Of course, the Lakewood auto assembly plant will be closed next March, and Lockheed may reduce its workforce by another thousand. Lechmere already has announced that it will end operations by Christmas (the 1985 Dayton-Hudson onslaught that sharply unbalanced retail activity in Atlanta has now been a significant Dayton-Hudson retreat). But business and health services are again showing strength, Underground continues to outperform estimations, and Eastern is rebuilding its airline. As a result, seasonally adjusted payrolls increased 9,600 during the summer.

The primary source of weakness continues to be the transportation equipment industry. The summer rebound clearly is temporary, as three thousand few jobs will be in that industry next year. The machinery and construction based manufacturing industries also are softening, but the lumber industry appears to have ended its sharp slide. In nondurables, the same weakness is in textiles, apparel, and paper that are apparent throughout the state, but these industries are not so important to the Atlanta economy. Furthermore, gains in food processing and chemicals should offset those other nondurable weaknesses. Manufacturing never has been very important to Atlanta, and the metro area will need to discover anew whether it can continue to expand while manufacturing contracts. (In the early 1970s, the answer was no, but that was before conventions, business services, and the legal services all became important sources of purchasing power by servicing people from outside the area).

Certainly, the loss of large manufacturing paychecks has taken its toll upon retail activity. During the second quarter, taxable sales in Atlanta were up only 0.2%, the first time since 1975 that the metro area showed less growth in this indicator than the state. According to our indicators, Atlanta will also experience slower growth in personal income than the state. If such sales growth continued, further retail retrenchment would be warranted. However, the metro area is showing the same surge in savings as in the state. Purchasing power is growing 3% faster than spending, as savings are being accumulated. Of course, the large gains in property income reflect this growth in local investment portfolios. However, the rebound in employment during the summer should unleash some of that spending power, leading to a 5.5% to 6% growth in taxable sales by Christmas. That would support more than 3% gains in trade employment. The renewed weakness of manufacturing payrolls will again restrain retailing early next year. Thus, employment gains will continue to slow on an annual basis. Nevertheless, the last of the big chain withdrawals probably has been seen with the Lechmere announcement.

Most of the rebound in transportation service employment reflects the rebuilding of Eastern. By the end of this year, that airline will be back to year earlier employment levels. Additional international flights by Delta also has added to the transportation services provided by Hartsfield. (Only 30% of all passengers originate in Atlanta. Therefore, the other 70% are providing city forming activity that is as significant as a new manufacturing facility). New technology will restrict the growth of communications while the utilities probably will have little reason to add to their employees as new household formations slow.

In addition to manufacturing, problems persist in the banking, brokerage, and real estate services. Slower housing activity has led to reduced home sales. The rapid price appreciations of the past two years have placed Atlanta housing above price levels that are justified by current activity. However, enough employment growth persists (25,000 new jobs places Atlanta in the top 15 metropolitan areas in employment gains) to prevent any serious price erosion. Nevertheless, the trade-up market that led to high

priced homes and real estate expansion probably will not be present for a few years. In finance, the attempted merger of C & S by NCNB has led to serious cost cutting efforts at most local banks. At the same time, stock market volatility has slowed the purchases of retail customers, who are more heavily serviced from Atlanta and other regional cities than from New York. Thus, the financial sector will show minimal growth in the next two years.

Fortunately, the service sector continues to thrive. Business services again have turned upward following a spring stall and health services continue to advance. Although the lodging industry currently shows few gains with occupancy at 62%, the attraction of Underground may lengthen convention stays while the Georgia Dome will increase exhibit space, leading to further lodging and convention growth. Although slowing, growth rates in the service sector are not slowing by much.

Federal government payrolls are expected to contract slightly as defense and regional agencies are restrained by budget problems. However, strong growth in state payrolls and continued modest expansion at the local level should add government payroll growth to the regional performance.

Although job growth is expected to slow to 24,400 in 1989 from 40,800 in 1988, reduced weakness in manufacturing and continued strength elsewhere should permit growth of 28,500 in 1990 and 33,500 in 1991. While these are well below the 50,000 per year that many Atlantans have come to expect in the 1980s, they are respectable gains that assures further Atlanta advances.

Of course, such an abrupt slowing will increase unemployment and lead to slower population gains. By 1991, population growth is expected to be half what it was in 1986. However, only marginal slowing of migration to Atlanta has occurred yet. In 1987, the last available data, population increased by 87,000 or by more than 40,000 households.

Unfortunately, the estimated slowing of population has not been anticipated by the development community. Thus, excess housing inventory was built in 1988, especially as apartment developments outstripped need. High interest rates early in 1989 further slowed housing absorption, leading to an excess inventory of more than 11,000 units. Falling interest rates may begin to increase absorption, but housing inventory should continue to be excessive through 1991.

During the third quarter only Newton county experienced any increase in single family permits from the previous year. In Spalding permits were unchanged. Double digit declines occurred in all other metro counties. Some of the sharpest declines were registered in Douglas (61%) and Cherokee(58%). For the quarter, permits were 26% below last year levels, only marginally improved from the 30% falloff in the spring. Even with improvement projected for the fourth quarter, single family permits should fall by 23.2% this year.

Surprisingly, after falling 40% in the second quarter, apartment permits actually increased during the summer by 12.2%. Gains were strongest in Dekalb, Clayton, and Cobb, although Fulton also showed a modest increase. Gwinnett continues to be shunned by most apartment developers because of its 15% vacancy rates. This rebound in multi-family units should be temporary, and apartment permits should end the year down 27.7%. Further weakness is projected for the apartment market in the next two years, as vacancies continue to restrain rent increases.

Nonresidential construction may be in the process of bottoming out in the Atlanta market. Industrial vacancy rates remained at 6.3% in Atlanta as it grew to that level nationwide. Thus, absorption and completions currently are in balance. Office vacancies are rising slightly, as completions pushed up suburban vacancies by a full percentage point to 19.8%. Nationwide, suburban vacancies declined to 21.3% according to Coldwell Banker. Downtown, which does not include the midtown developments, the vacancy rate fell to 13.8% while rates were rising to 16.7% nationwide. Rents remain very competitive in the $18 range for quality class A space. Current leasing suggests an absorption rate of 3.5 million square feet this year. With only 2.2 million square feet scheduled for completion next year, vacancies should fall. Nevertheless, speculative buildings probably should not be attempted in the current Atlanta market.

The dismal 0.2% growth in taxable sales for Atlanta in the second quarter probably was the watershed for this activity. According to the retail trade report, Atlanta retail sales grew 5.6% during the first eight months of this year. In August, sales were 9.1% ahead of the previous year. Department stores were doing much worse than the remainder of Atlanta, with sales up only 2.5%. Nationally, retail sales were up 5.5%, with department stores showing a healthy 5.9% gain. The withdrawal of department stores from the Atlanta area has biased the sales figures downward.

The biggest surprise in taxable sales was a 6.5% decline in Gwinnett county, Cobb, Clayton, and Cherokee counties also suffered sales declines of 3.3%, 7.7%, and 9.1% respectively. Obviously, the Lockheed layoffs are taking their toll. Fulton, the largest taxable sales county, showed a modest 1.6% increase while Dekalb registered a satisfactory 4.1% gain. Declines were reversed in Coweta (1.5%), Forsyth (3.9%), and Henry (6.7%). Clearly, the suburbs have been struggling more than the center of the metropolitan area in this time of modest economic stress.

SUMMARY OF OUTLOOK

Manufacturing is still scheduled to weaken further in Atlanta as Lockheed downsizes further, GM closes the Lakewood plant, and AT and T reduces employment in its Norcross cable facility. Also, the Lechmere loss has not yet been reflected in the retail employment totals. Nevertheless, employment increased on a seasonally adjusted basis during the third quarter. Eastern is returning to air service while business services once again have rebounded. The stall in retail employment, though justified by an equal stall in consumer spending, should end soon. Underground has continued to perform well. Also, a few manufacturing plants continue to move into the area. The Gwinnett corridor will have 3000 more jobs by this time next year despite the ATT losses.

Although the improvement in housing is minute, from a 30% drop to a 26% slide, weather was especially bad in September. The normal Atlanta fall will further reduce the discrepancies in housing activity. Sales remain sluggish and some developed land has begun to erode in price. But employment gains remain near 25,000, allowing growth to remove any overbuilt imbalances in the next two years.

Clearly, the loss of manufacturing jobs has reduced the growth potential of Atlanta in the next five years. Our projections of job gains over that time have been reduced to a 2.5% annual rate from 2.8% in our previous projections. Yet, these are still gains from the sluggish 1.7% employment growth that is developing in 1989. Atlanta has moved to the brink of recession, with manufacturing, construction, and retail activity all declining simultaneously. Indeed, no other metropolitan area has suffered such a steep decline in its durable manufacturing payrolls during the past year. Yet, the service economy continues to prosper. The locational and climactic advantages continue to attract businesses and people to the city. Recovery will be slow, but the metro area indeed is beginning to recovery as we projected last quarter. Now if only some new manufacturing would surface, another era of rapid growth could develop.

Table 1

Georgia Wage & Salary Employment (Seasonally Adjusted) for 1987-88 with Forecasts through 1991

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1989

Description	Quarterly Seasonalized Data IV 88	I 89	II 89	III 89	SEP(P)	Annual Percentage Change 88/87	89/88	90/89	90/91	Annual Average 1987	1988	1989(F)	1990(F)	1991(F)
1. MANUFACTURING	569.4	568.4	564.2	565.1	563.8	0.5	-1.5	-0.9	0.3	571.2	574.1	565.2	560.0	561.9
2. DURABLE GOODS	219.3	217.4	215.0	216.8	216.4	0.3	-3.3	-1.6	0.9	223.0	223.8	216.3	212.9	214.9
3. LUMBER AND WOOD	33.1	33.2	32.9	32.6	32.5	-0.7	-2.7	-1.2	0.3	33.9	33.7	32.8	32.4	32.5
4. FURNITURE AND FIXTURES	11.2	11.3	11.4	11.3	11.2	-5.0	-0.1	-1.8	0.0	11.9	11.3	11.3	11.1	11.1
5. STONE, CLAY, AND GLASS	20.9	21.0	20.5	20.0	19.9	0.6	-4.0	-2.5	0.0	21.0	21.1	20.3	19.8	19.8
6. PRIMARY METAL INDUSTRY	15.9	15.7	15.7	15.8	15.7	-1.3	-0.5	-0.6	0.6	16.0	15.8	15.7	15.6	15.7
7. FABRICATED METAL	21.5	21.9	21.7	21.8	22.1	3.1	2.9	1.8	1.8	20.6	21.3	21.9	22.3	22.7
8. MACHINERY EXC ELECTRIC	26.7	26.7	26.6	27.0	26.7	2.5	1.5	0.7	0.7	25.8	26.4	26.8	27.0	27.2
9. ELECTRIC & ELECTRONIC	31.3	31.6	32.0	31.5	31.6	4.4	-0.1	-0.3	1.9	30.4	31.7	31.7	31.6	32.2
10. TRANSPORTATION EQUIP	45.4	42.8	41.1	43.9	43.7	-3.0	-13.4	-6.6	1.0	50.8	49.3	42.7	39.9	40.3
11. OTHER DURABLE GOODS	13.3	13.2	13.1	13.0	13.1	4.6	-0.4	0.8	1.5	12.6	13.2	13.1	13.2	13.4
12. NONDURABLE GOODS	350.1	351.0	349.2	348.3	347.3	0.6	-0.4	-0.5	-0.0	348.2	350.3	348.9	347.1	347.0
13. FOOD AND KINDRED	59.3	60.7	60.3	60.4	60.8	-2.0	1.9	1.2	2.0	60.7	59.5	60.6	61.3	62.5
14. TEXTILE MILL PRODUCTS	109.7	110.5	110.6	110.5	109.9	1.9	0.8	-1.5	-1.2	107.3	109.4	110.3	108.6	107.3
15. APPAREL & TEXTILE	66.5	65.9	65.6	64.5	63.5	-1.1	-4.3	-2.8	-1.0	68.5	67.7	64.8	63.0	62.4
16. PAPER & ALLIED PRODUCT	32.3	31.6	31.4	31.3	31.3	1.8	-1.8	-0.6	-0.3	31.4	32.0	31.4	31.2	31.1
17. PRINTING & PUBLISHING	39.6	39.7	39.4	39.7	39.6	5.1	0.6	0.5	0.3	37.5	39.4	39.6	39.8	39.9
18. CHEMICALS & ALLIED	19.6	19.6	19.4	19.5	19.5	1.4	0.3	0.0	1.0	19.2	19.4	19.5	19.5	19.7
19. LEATHER & LEATHER PROD	1.9	2.0	1.8	1.8	1.9	13.7	4.6	-5.3	0.0	1.6	1.8	1.9	1.8	1.8
20. OTHER NONDURABLE GOODS	21.2	21.1	20.8	20.6	20.7	-4.6	-1.3	5.3	1.8	22.1	21.1	20.8	21.9	22.3
21. TOTAL NONMANUFACTURING	2340.2	2386.4	2367.5	2366.8	2360.3	4.3	3.0	2.4	2.5	2210.5	2304.9	2373.1	2428.9	2489.3
22. MINING	9.0	9.0	8.9	8.7	8.7	4.9	-1.2	-2.3	0.0	8.5	8.9	8.8	8.6	8.6
23. CONSTRUCTION	144.5	143.7	142.9	142.4	142.7	-2.1	-4.2	0.3	0.2	152.2	149.0	142.8	143.2	143.5
24. TRANSP, COMM & PUB UT	184.5	186.5	182.1	183.8	184.3	4.0	1.1	2.1	1.2	175.4	182.3	184.4	188.2	190.5
25. TRANSPORTATION	113.2	115.0	110.4	112.6	113.2	4.7	1.8	3.1	1.4	105.9	111.0	113.0	116.5	118.1
26. COMMUNICATION	44.3	44.0	44.3	43.9	44.0	2.8	-0.4	0.9	0.9	43.1	44.3	44.1	44.5	44.9
27. UTILTIES	27.1	27.5	27.4	27.2	27.1	2.7	0.9	-0.4	1.1	26.3	27.0	27.3	27.2	27.5
28. WHOLESALE & RETAIL TRADE	754.2	779.9	767.3	757.6	753.9	5.1	3.8	2.1	2.4	702.5	738.0	766.4	782.5	801.2
29. WHOLESALE TRADE	221.5	226.6	225.3	225.0	224.0	6.0	4.7	0.2	1.4	203.0	215.1	225.3	225.8	228.9
30. DURABLE GOODS	145.7	148.2	147.4	147.6	147.5	7.4	4.7	0.7	1.1	131.4	141.1	147.8	148.9	150.6
31. NONDURABLE GOODS	75.8	78.4	77.9	77.4	76.4	3.4	4.7	-0.8	1.8	71.6	74.0	77.5	76.9	78.3
32. RETAIL TRADE	532.7	553.4	542.0	532.6	529.9	4.7	3.5	2.9	2.8	499.5	522.9	541.1	556.7	572.3
33. FINANCE, INSUR & RL EST	163.3	165.0	163.3	162.8	162.5	3.7	1.4	1.6	1.6	155.4	161.1	163.4	166.0	168.7
34. FINANCE	72.6	72.7	71.8	71.4	71.2	2.1	0.2	0.8	1.4	70.2	71.6	71.8	72.4	73.4
35. INSURANCE	53.1	53.5	53.5	53.9	53.9	4.5	2.1	2.6	1.8	50.4	52.6	53.7	55.1	56.1
36. REAL ESTATE	37.5	38.8	37.9	37.4	37.4	5.6	2.8	1.6	1.8	34.9	36.9	37.9	38.5	39.2
37. SERVICES	582.8	592.4	591.1	595.0	591.3	5.7	4.0	3.1	3.5	539.8	570.4	593.4	611.6	633.1
38. HOTELS & OTHER LODGING	39.9	40.5	39.4	39.3	39.3	1.9	-0.3	2.3	1.5	39.1	39.8	39 7	40.6	41.2
39. BUSINESS SERVICES	150.6	154.9	154.5	154.8	153.9	9.6	5.8	3.7	3.9	133.7	146.5	154.9	160.6	166.9
40. HEALTH SERVICES	136.5	137.9	139.7	140.1	140.2	4.5	3.2	2.9	3.0	129.5	135.3	139.7	143.7	148.0
41. GOVERNMENT	502.0	509.9	511.8	516.6	516.8	3.9	3.8	2.9	2.8	476.7	495.2	513.9	528.8	543.7
42. FEDERAL GOVERNMENT	100.9	102.6	102.3	101.3	101.4	0.6	2.2	-0.2	0.4	99.3	99.8	102.0	101.8	102.2
43. DEFENSE	36.0	36.7	36.5	36.5	36.4	-4.8	1.7	-0.3	-0.5	37.8	36.0	36.6	36.5	36.3
44. OTHER FEDERAL	64.9	65.9	65.7	64.8	65.0	3.9	2.4	-0.2	0.9	61.5	63.8	65.4	65.3	65.9
45. STATE & LOCAL GOVERNMENT	401.1	407.3	409.6	415.3	415.5	4.8	4.2	3.7	3.4	377.4	395.4	411.9	427.0	441.5
46. STATE GOVERNMENT	119.4	121.0	120.7	122.4	122.8	4.7	4.0	3.4	3.8	111.8	117.0	121.7	125.8	130.6
47. STATE EDUCATION	47.7	48.2	47.6	49.0	49.2	3.8	3.2	2.5	4.0	45.3	47.0	48.5	49.7	51.7
48. OTHER STATE GOVT	71.6	72.8	73.0	73.4	73.6	5.3	4.5	4.0	3.7	66.5	70.0	73.2	76.1	78.9
49. LOCAL GOVERNMENT	281.7	286.3	288.9	292.9	292.7	4.8	4.3	3.8	3.2	265.6	278.3	290.2	301.2	310.9
50. LOCAL EDUCATION	148.2	150.2	152.0	156.3	155.4	5.1	4.3	4.2	3.3	140.0	147.1	153.5	159.9	165.1
51. OTHER LOCAL GOVT	133.5	136.1	136.9	136.5	137.3	4.4	4.2	3.4	3.2	125.6	131.2	136.7	141.3	145.8
52. TOTAL NONAG. PAYROLL	2909.6	2954.8	2931.7	2931.9	2924.1	3.5	2.1	1.7	2.1	2781.7	2879.0	2938.3	2988.9	3051.2
53. CIVILIAN UNEMPL. RATE	5.0	5.4	5.6	5.7	6.2					5.5	5.9	5.7	6.2	6.3

Source : Data (in 1000's) seasonally adjusted by Forecasting Center.
SEPT(P) is seasonally adjusted preliminary September employment. 1989(F), 1990 (F), and 1991(F) are forecasted values.

Table 2

Georgia Personal Income for 1987-88 with forecasts through 1991

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1989

Description Quarterly Personal Income	Quarterly Data III 88	 IV 88	 I 89	 II 89	Annual percent change 87/86	 88/87	 89/88(F)	 90/89(F)	 90/91(F)	Annual Average 1987	 1988	 1989(F)	 1990(F)	 1991(F)
By Place of Residence														
1. Total Personal Income	97889	99939	101542	103105	8.7	8.0	7.4	7.1	7.5	89596	96779	103969	111328	119630
2. Nonfarm Personal Income	96463	98344	99811	101372	8.8	7.9	7.2	7.2	7.6	88425	95431	102296	109708	118042
3. Farm Personal Income	1426	1595	1731	1732	5.1	15.2	24.1	-3.2	-2.0	1171	1348	1673	1620	1588
Derivation of Income														
4. Total Earnings	76563	77895	78549	79207	9.0	7.8	5.5	6.5	7.2	70157	75626	79820	85010	91093
5. less: SSI Contribution	4471	4493	4777	4772	8.0	12.1	8.1	9.6	8.5	3953	4432	4793	5252	5698
6. plus: Residence Adj	-217	-208	-210	-196	-6.3	-0.3	-10.1	-3.1	-1.1	-216	-215	-193	-187	-185
7. equals: Net Earnings	71875	73194	73561	74238	9.1	7.6	5.4	6.3	7.1	65988	70980	74834	79571	85210
8. plus: Div, Int, Rent	13530	14075	14789	15420	9.4	10.3	16.6	9.5	7.9	12157	13403	15622	17103	18446
9. plus: Transfer Paymnts	12484	12670	13192	13447	5.8	8.3	9.0	8.4	9.0	11450	12396	13513	14654	15974
10. State UI Benefits	224	234	241	263	1.5	-5.9	23.6	7.9	4.5	230	216	267	288	301
11. Tnsfrs less SUIB	12261	12436	12951	13184	5.9	8.5	8.7	8.5	9.1	11221	12180	13246	14366	15673
By Place of Work														
12. Components of Earnings														
13. Wages and Salaries	62971	63951	64273	64817	8.8	7.7	5.1	7.4	8.0	57741	62205	65407	70220	75814
14. Other Labor Income	5881	5942	6081	6112	9.9	7.4	5.7	4.4	4.9	5415	5818	6147	6415	6728
15. Proprietors Income	7711	8002	8195	8278	10.2	8.6	8.7	1.3	2.1	7001	7604	8266	8375	8551
16. Farm	1275	1443	1578	1579	5.0	17.3	26.9	-4.3	-3.0	1020	1197	1518	1452	1409
17. Nonfarm	6436	6559	6617	6700	11.2	7.1	5.3	2.6	3.2	5981	6407	6748	6923	7142
Earnings By Industry														
18. Farm	1426	1595	1731	1732	5.1	15.2	24.1	-3.2	-2.0	1171	1348	1673	1620	1588
19. Nonfarm	75137	76300	76818	77474	9.1	7.7	5.2	6.7	7.3	68987	74278	78147	83390	89505
20. Private	62778	63604	63826	64334	9.3	7.6	4.7	6.5	7.4	57594	61990	64930	69144	74242
21. Ag Svc, Fish, Etc	338	334	317	327	21.6	10.6	-1.9	2.1	2.1	304	336	330	337	344
22. Mining	309	305	325	333	8.4	6.9	8.3	2.1	5.6	286	306	331	338	357
23. Construction	4851	4832	4766	4762	2.6	2.7	-0.2	4.0	4.7	4681	4807	4798	4988	5223
24. Manufacturing	14568	14376	14600	14477	6.4	3.9	1.1	3.6	5.4	13868	14414	14579	15100	15916
25. Nondurable Goods	8185	8173	8285	8384	7.0	4.7	4.4	4.5	5.0	7708	8068	8419	8794	9231
26. Durable Goods	6383	6204	6315	6093	5.8	3.0	-2.9	2.4	6.0	6160	6346	6160	6306	6685
27. Trans and Pub Utils	7003	7109	6967	6975	10.1	6.0	2.0	7.2	6.8	6564	6959	7098	7607	8123
28. Wholesale Trade	7136	7214	7673	7788	8.3	12.2	11.5	5.2	7.0	6258	7025	7833	8243	8816
29. Retail Trade	7613	7691	7787	7763	8.4	7.0	3.9	7.3	7.4	7022	7511	7803	8374	8996
30. Fin, Ins, and RE	5061	5178	4986	5109	12.3	9.3	2.9	6.6	7.2	4600	5029	5176	5517	5916
31. Services	15898	16565	16405	16799	14.0	11.4	8.8	9.8	10.3	14012	15603	16982	18640	20551
32. Gvt and Gvt Entprs	12358	12696	12991	13141	7.9	7.9	7.6	7.8	7.1	11393	12289	13217	14246	15263
33. Federal, Civilian	2887	2956	3093	3115	5.9	8.6	9.0	4.3	5.2	2630	2855	3112	3246	3415
34. Military	1598	1613	1629	1615	3.5	2.7	-0.0	6.2	3.1	1564	1606	1605	1704	1756
35. State and Local	7873	8127	8270	8410	9.7	8.7	8.6	9.4	8.6	7199	7828	8500	9296	10092
36. % of US Nonfarm	2.38	2.37	2.38	2.36						2.38	2.39	2.36	2.36	2.37
37. Population						1.8	1.8	1.6	1.5	6227	6342	6457	6561	6660

Source : Bureau of Economic Analysis
1989(F),1990(F) and 1991(F) are forecasted values.

Table 3

Atlanta Wage & Salary Employment (Seasonally Adjusted) for 1987-88 with Forecasts through 1991

Georgia State University
College of Business Administration
Economic Forcasting Center
November 1989

Description	Quarterly Seasonalized Data IV 88	I 89	II 89	III 89	SEP(P)	Annual Percentage Change 88/87	89/88	90/89	91/90	Annual Average 1987	1988	1989(F)	1990(F)	1991(F)
1. MANUFACTURING	179.2	177.1	173.9	176.2	176.3	-2.3	-4.7	-1.2	0.6	188.8	184.4	175.8	173.7	174.8
2. DURABLE GOODS	90.1	87.4	85.0	86.9	87.2	-3.8	-8.7	-2.7	0.8	98.4	94.7	86.5	84.2	84.9
3. LUMBER AND WOOD	4.7	4.0	4.2	4.4	4.4	-4.0	-14.4	4.8	2.3	5.1	4.9	4.2	4.4	4.5
4. FURNITURE AND FIXTURES	4.2	4.3	4.2	4.1	3.9	-1.1	-2.6	-4.9	0.0	4.3	4.2	4.1	3.9	3.9
5. STONE, CLAY, AND GLASS	9.3	9.4	9.1	8.7	8.6	-3.4	-3.5	-4.4	-1.2	9.7	9.3	9.0	8.6	8.5
6. PRIMARY METAL INDUSTRY	6.3	6.4	6.4	6.4	6.3	-7.5	-1.1	-1.6	0.0	7.0	6.5	6.4	6.3	6.3
7. FABRICATED METAL	9.9	10.1	10.1	10.0	10.1	2.5	3.3	0.0	2.0	9.5	9.8	10.1	10.1	10.3
8. MACHINERY EXC ELECTRIC	9.6	9.6	9.3	9.2	9.2	-3.6	-3.2	-1.1	1.1	10.0	9.6	9.3	9.2	9.3
9. ELECTRIC & ELECTRONIC	16.0	15.9	15.7	15.4	15.4	6.5	-5.0	-1.3	1.3	15.4	16.4	15.6	15.4	15.6
10. TRANSPORTATION EQUIP	24.0	21.5	20.0	23.0	23.3	-12.0	-22.1	-6.9	0.5	31.8	28.0	21.8	20.3	20.4
11. OTHER DURABLE GOODS	6.1	6.1	6.0	5.9	6.0	5.8	0.3	0.0	1.7	5.7	6.0	6.0	6.0	6.1
12. NONDURABLE GOODS	89.1	89.7	88.9	89.3	89.1	-0.7	-0.5	0.2	0.4	90.4	89.7	89.3	89.5	89.9
13. FOOD AND KINDRED	19.9	20.2	19.9	20.3	20.2	-4.1	0.2	1.5	1.5	21.0	20.2	20.2	20.5	20.8
14. TEXTILE MILL PRODUCTS	7.6	7.4	7.1	7.2	7.2	2.7	-5.1	-2.8	-1.4	7.4	7.6	7.2	7.0	6.9
15. APPAREL & TEXTILE	10.3	10.3	10.5	10.2	10.0	-7.3	-3.7	-2.9	-2.0	11.5	10.7	10.3	10.0	9.8
16. PAPER & ALLIED PRODUCT	9.1	9.2	9.0	8.8	8.7	0.7	-0.3	-2.2	-1.1	8.9	8.9	8.9	8.7	8.6
17. PRINTING & PUBLISHING	24.0	24.1	23.9	24.1	24.0	4.0	0.1	0.8	0.8	23.0	24.0	24.0	24.2	24.4
18. CHEMICALS & ALLIED	9.2	9.2	9.1	9.2	9.4	0.4	0.6	2.2	1.1	9.1	9.1	9.2	9.4	9.5
19. OTHER NONDURABLE GOODS	9.1	9.4	9.5	9.6	9.6	-1.5	2.9	2.1	2.1	9.4	9.2	9.5	9.7	9.9
20. TOTAL NONMANUFACTURING	1245.8	1267.3	1259.7	1267.1	1268.4	3.8	2.7	2.4	2.5	1187.9	1233.1	1266.1	1296.7	1329.1
21. MINING	1.5	1.5	1.4	1.4	1.4	4.7	-6.7	0.0	0.0	1.4	1.5	1.4	1.4	1.4
22. CONSTRUCTION	69.5	68.0	67.4	67.1	67.6	-3.7	-4.0	-0.4	1.0	73.0	70.3	67.5	67.2	67.9
23. TRANSP, COMM & PUB UT	121.4	120.8	116.7	119.1	119.8	4.5	-0.9	2.7	1.5	115.2	120.3	119.2	122.4	124.2
24. TRANSPORTATION	77.5	77.3	72.8	75.6	76.4	4.8	-1.0	4.4	2.2	72.9	76.3	75.6	78.9	80.6
25. COMMUNICATION & UTILITY	43.9	43.5	43.9	43.5	43.3	4.0	-0.9	-0.2	0.2	42.3	44.0	43.6	43.5	43.6
26. WHOLESALE & RETAIL TRADE	404.2	414.3	412.1	413.3	413.1	4.2	3.3	2.3	2.1	384.0	400.1	413.3	422.6	431.5
27. WHOLESALE TRADE	138.6	141.5	143.4	145.0	145.0	3.8	4.4	1.5	1.5	132.6	137.7	143.7	145.8	148.0
28. DURABLE GOODS	99.2	100.7	102.1	104.1	104.3	5.1	4.5	2.0	1.1	93.6	98.4	102.8	104.9	106.1
29. NONDURABLE GOODS	39.4	40.8	41.3	40.9	40.7	0.8	4.2	0.0	2.4	39.0	39.3	40.9	40.9	41.9
30. RETAIL TRADE	265.6	272.7	268.7	268.3	268.1	4.4	2.7	2.7	2.4	251.5	262.4	269.6	276.8	283.5
31. FINANCE, INSUR & RL EST	104.1	105.5	104.9	104.6	104.3	3.9	1.8	0.1	1.2	99.1	102.9	104.8	104.9	106.2
32. FINANCE	41.2	41.6	41.4	41.0	40.8	0.4	1.2	-0.5	1.2	40.5	40.7	41.2	41.0	41.5
33. INSURANCE	37.0	37.3	37.3	37.6	37.4	6.0	2.0	1.3	1.6	34.6	36.7	37.4	37.9	38.5
34. REAL ESTATE	25.9	26.6	26.2	26.0	26.0	6.8	2.5	-0.8	0.8	23.9	25.6	26.2	26.0	26.2
35. SERVICES	340.3	348.3	349.1	352.8	352.7	4.6	4.7	3.8	3.8	320.7	335.4	351.0	364.3	378.1
36. HOTELS & OTHER LODGING	23.7	23.9	23.6	23.6	23.5	0.4	0.6	1.7	2.1	23.5	23.6	23.7	24.1	24.6
37. BUSINESS SERVICES	105.1	109.1	109.0	110.3	110.2	6.4	5.5	4.7	4.4	97.7	103.9	109.6	114.8	119.9
38. HEALTH SERVICES	63.1	64.6	65.9	66.6	66.8	6.1	5.9	5.8	4.4	58.8	62.3	66.0	69.8	72.9
39. GOVERNMENT	204.8	208.9	208.1	208.8	209.5	4.2	3.1	2.4	2.8	194.5	202.6	208.9	213.9	219.8
40. FEDERAL GOVERNMENT	44.4	45.0	44.7	43.9	44.1	3.7	2.1	-0.9	0.9	42.0	43.6	44.5	44.1	44.5
41. DEFENSE	5.9	6.0	5.9	6.0	6.0	-3.6	0.4	-1.7	-1.7	6.2	6.0	6.0	5.9	5.8
42. OTHER FEDERAL	38.4	39.0	38.8	38.0	38.1	5.0	2.3	-0.8	1.3	35.8	37.6	38.5	38.2	38.7
43. STATE & LOCAL GOVERNMENT	160.5	163.9	163.4	164.9	165.4	4.3	3.4	3.3	3.2	152.5	159.0	164.4	169.8	175.3
44. STATE GOVERNMENT	41.5	41.9	41.3	42.1	42.9	4.1	4.0	4.5	4.1	38.9	40.5	42.1	44.0	45.8
45. STATE EDUCATION	14.1	14.3	13.6	14.2	14.6	3.2	3.3	4.2	4.1	13.3	13.7	14.2	14.8	15.4
46. OTHER STATE GOVT	27.4	27.6	27.7	27.9	28.3	4.6	4.4	4.7	4.1	25.6	26.7	27.9	29.2	30.4
47. LOCAL GOVERNMENT	119.0	122.0	122.2	122.8	122.7	4.3	3.2	2.9	2.9	113.6	118.5	122.3	125.8	129.5
48. LOCAL EDUCATION	57.3	59.0	59.1	59.3	59.3	2.3	1.5	1.9	2.3	56.9	58.2	59.1	60.2	61.6
49. OTHER LOCAL GOVT	61.7	63.0	63.1	63.5	63.4	6.4	4.8	3.8	3.5	56.7	60.3	63.2	65.6	67.9
50. TOTAL NONAG. PAYROLL	1425.0	1444.4	1433.7	1443.4	1444.7	3.0	1.7	2.0	2.3	1376.7	1417.5	1441.9	1470.4	1503.9
51. CIVILIAN UNEMPL. RATE	4.5	4.9	5.4	5.2	5.7					4.7	5.2	5.3	5.5	5.6

Source : Data (in 1000's) seasonally adjusted by Forecasting Center.
SEP(P) is seasonally adjusted preliminary September employment. 1989(F), 1990 (F), and 1991(F) are forecasted values.

Table 4

Atlanta Personal Income for 1985-87 with Forecasts through 1991

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1989

Description Annual Personal Income	Annual Average 1985	1986	1987	1988(E)	1989(F)	1990(F)	1991(F)	Annual Percentage Change 86/85	87/86	88/87(E)	89/88(F)	90/89(F)	91/90(F)
By Place of Residence													
1. Total Personal Income	38186	41984	45943	49545	53032	57021	61502	9.9	9.4	7.8	7.0	7.5	7.9
2. Nonfarm Personal Income	38070	41828	45811	49395	52859	56851	61334	9.9	9.5	7.8	7.0	7.6	7.9
3. Farm Personal Income	116	156	132	150	173	170	168	34.9	-15.4	13.5	15.3	-1.7	-1.2
Derivation of Income													
4. Total Earnings	32180	35694	39201	42022	44107	47190	50773	10.9	9.8	7.2	5.0	7.0	7.6
5. less: SSI Contribution	1850	2081	2263	2521	2718	2986	3248	12.5	8.7	11.4	7.8	9.9	8.8
6. plus: Residence Adj	-866	-1034	-1119	-1062	-997	-996	-1016	19.3	8.2	-5.1	-6.1	-0.1	2.0
7. equals: Net Earnings	29463	32579	35819	38439	40392	43208	46509	10.6	9.9	7.3	5.1	7.0	7.6
8. plus: Div, Int, Rent	5218	5641	6092	6731	7863	8625	9333	8.1	8.0	10.5	16.8	9.7	8.2
9. plus: Transfer Paymnts	3505	3764	4032	4375	4777	5188	5660	7.4	7.1	8.5	9.2	8.6	9.1
By Place of Work													
10. Components of Earnings													
11. Wages and Salaries	27223	30075	33099	35427	37150	39982	43269	10.5	10.1	7.0	4.9	7.6	8.2
12. Other Labor Income	2529	2800	3052	3281	3478	3634	3809	10.7	9.0	7.5	6.0	4.5	4.8
13. Proprietors Income	2428	2818	3050	3314	3479	3574	3695	16.1	8.2	8.6	5.0	2.7	3.4
14. Farm	106	147	122	137	159	155	152	38.3	-16.6	11.9	16.1	-2.5	-1.9
15. Nonfarm	2322	2671	2928	3177	3320	3419	3543	15.1	9.6	8.5	4.5	3.0	3.6
Earnings By Industry													
16. Farm	116	156	132	150	173	170	168	34.9	-15.4	13.5	15.3	-1.7	-1.2
17. Nonfarm	32064	35537	39069	41872	43934	47020	50605	10.8	9.9	7.2	4.9	7.0	7.6
18. Private	28094	31247	34325	36712	38380	41061	44204	11.2	9.9	7.0	4.5	7.0	7.7
19. Ag Svc, Fish, Etc	103	114	123	128	125	124	122	10.3	7.9	4.2	-2.3	-0.8	-1.6
20. Mining	86	45	67	71	73	77	81	-48.0	49.2	6.0	2.8	5.5	5.2
21. Construction	2212	2529	2669	2698	2698	2787	2941	14.4	5.5	1.1	0.0	3.3	5.5
22. Manufacturing	4822	5311	5639	5686	5548	5722	6047	10.1	6.2	0.8	-2.4	3.1	5.7
23. Nondurable Goods	2005	2236	2414	2496	2603	2738	2887	11.5	7.9	3.4	4.3	5.2	5.4
24. Durable Goods	2817	3075	3225	3190	2945	2984	3160	9.2	4.9	-1.1	-7.7	1.3	5.9
25. Trans and Pub Utils	3784	4060	4510	4803	4804	5178	5504	7.3	11.1	6.5	0.0	7.8	6.3
26. Wholesale Trade	4320	4585	4921	5413	6019	6410	6866	6.1	7.3	10.0	11.2	6.5	7.1
27. Retail Trade	3407	3683	4035	4305	4439	4754	5087	8.1	9.6	6.7	3.1	7.1	7.0
28. Fin, Ins, and RE	2555	3005	3344	3662	3783	3975	4246	17.6	11.3	9.5	3.3	5.1	6.8
29. Services	6805	7914	9017	9946	10891	12034	13310	16.3	13.9	10.3	9.5	10.5	10.6
30. Gvt and Gvt Entprs	3970	4291	4744	5160	5554	5959	6401	8.1	10.6	8.8	7.6	7.3	7.4
31. Federal, Civilian	1106	1123	1216	1358	1479	1532	1620	1.5	8.3	11.7	8.9	3.6	5.7
32. Military	236	260	277	283	282	292	299	10.1	6.6	2.3	-0.4	3.5	2.4
33. State and Local	2628	2909	3252	3519	3793	4135	4482	10.7	11.8	8.2	7.8	9.0	8.4
34. % of GA Nonfarm	47.0	51.5	51.8	51.8	51.7	51.8	52.0						
35. Population	2469	2569	2656	2737	2813	2884	2941	4.1	3.4	3.0	2.8	2.5	2.0

Source : Bureau of Economic Analysis
1989(F), 1990(F) and 1991(F) are forecasted values. 1988(E) are estimated values.

TABLE 5

METRO ATLANTA HOUSING PERMITS
FOR 1987 THROUGH 1988 WITH FORECASTS THROUGH 1991

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COUNTY	IV88 SINGLE	IV88 MULTI	I89 SINGLE	I89 MULTI	II89 SINGLE	II89 MULTI	III89 SINGLE	III89 MULTI	1987 SINGLE	1987 MULTI	1988 SINGLE	1988 MULTI	1989(F) SINGLE	1989(F) MULTI	1990(F) SINGLE	1990(F) MULTI	1991(F) SINGLE	1991(F) MULTI
BARROW	24	0	50	0	65	48	63	0	140	0	253	10	212	48	200	40	210	30
BUTTS	39	0	32	0	29	0	28	0	96	0	128	6	118	0	110	10	110	10
CHEROKEE	399	26	374	0	317	12	184	2	1869	94	1700	43	1225	30	1240	50	1250	40
CLAYTON	259	451	315	163	237	503	290	237	1458	1834	1475	1319	1065	1240	1025	890	1020	650
COBB	687	470	910	583	645	42	791	712	5747	2969	4231	1567	2945	1550	2995	1020	2750	890
COWETA	187	0	242	48	204	0	190	63	825	0	873	53	825	125	840	110	860	120
DEKALB	397	1519	592	502	590	467	631	1446	2820	2363	2940	4589	2200	2800	2250	2300	2020	2000
DOUGLAS	98	0	177	632	133	1	125	2	1048	303	895	647	535	650	700	410	720	400
FAYETTE	221	2	293	126	233	40	179	0	767	0	1221	101	855	170	760	150	830	150
FORSYTH	193	0	201	2	218	5	170	0	731	6	826	4	770	10	830	10	850	20
FULTON	439	848	903	265	839	1336	623	507	3949	2917	3506	3879	2760	2750	2680	2550	2560	2100
GWINNETT	648	6	1196	248	982	27	888	149	5496	525	4551	1238	3565	500	3500	460	3610	500
HENRY	254	54	353	148	239	24	268	10	1442	134	1412	151	1110	200	1040	150	1050	200
NEWTON	86	80	181	16	121	0	107	80	513	0	449	80	500	120	560	120	620	110
PAULDING	129	2	150	0	192	0	168	0	1110	0	893	2	620	0	650	0	680	20
ROCKDALE	130	0	165	0	170	0	144	1	1002	54	743	116	600	10	640	20	650	50
SPALDING	84	22	93	31	75	0	78	1	635	24	321	304	325	5	340	10	360	20
WALTON	120	0	120	16	143	0	108	10	482	0	562	74	480	40	510	60	540	100
TOTAL: SINGLE & MULTI	4394	3480	6347	2780	5432	2505	5035	3220	30130	11223	26979	14183	20710	10248	20870	8360	20690	7410
% CHANGE FROM PREVIOUS QUARTER/YEAR	-21.6	52.4	-20.0	-23.2	-30.7	-40.5	-26.1	12.2	-0.6	-40.7	-10.5	26.4	-23.2	-27.7	0.8	-18.4	-0.9	-11.4
TOTAL PERMITS (SINGLE + MULTI)	7874		9127		7937		8255		41353		41162		30958		29230		28100	
% CHANGE IN TOTAL (SINGLE + MULTI)	-0.2		-21.0		-34.2		-14.8		-16.6		-0.5		-24.8		-5.6		-3.9	
ESTIMATED POTENTIAL ABSORPTION (000)									42.5		38.9		30.4		28.8		24.8	

Source : Homebuilders Association of Metro Atlanta
1989(F), 1990 (F), and 1991(F) are forecasted values
1986-1987 % changes are calculated on a 15-county basis.

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Table 6 Atlanta Employment in 1994

	1988	1994	% Change	Annual Rate	Previous Annual Rate
Mining	1.5	1.3	-13.3	-2.4	2.3
Construction	70.3	80.0	13.8	2.2	0.6
Manufacturing	184.4	179.7	- 2.5	-0.4	0.5
Durables:	94.7	88.2	- 6.9	-1.2	0.1
Lumber	4.9	4.7	- 4.1	-0.7	-1.4
Furniture	4.2	4.1	- 2.4	-0.4	0.8
Stone, Clay, Glass	9.3	8.5	- 8.6	-1.5	-0.4
Primary Metals	6.5	6.5	0.0	0.0	1.6
Fabricated Metals	9.8	10.7	9.2	1.5	2.3
Nonelectrical Machinery	9.6	9.6	0.0	0.0	5.5
Electrical Machinery	16.4	16.1	- 1.8	-0.3	1.8
Transportation Equipment	28.0	21.7	-22.5	-4.2	-4.3
Other Durables	6.0	6.3	5.0	0.8	1.7
Nondurables:	89.7	91.5	2.0	0.3	0.9
Food	20.2	21.6	6.9	1.1	1.3
Textiles	7.6	6.5	-14.5	-2.6	1.7
Apparel	10.7	9.0	-15.9	-2.8	-1.6
Paper	8.9	8.8	- 1.1	-0.2	1.1
Printing	24.0	25.0	4.2	0.7	1.1
Chemicals	9.1	10.1	11.0	1.8	1.6
Other Nondurables	9.2	10.5	14.1	2.2	1.5
Transportation, Comm. & Utilities	120.3	129.9	8.0	1.3	2.8
Trade:	400.1	469.0	17.2	2.7	2.6
Wholesale	137.7	157.8	14.6	2.3	1.3
Retail	262.4	311.2	18.6	2.9	3.3
Finance, Ins. & Real Estate	102.9	114.3	11.1	1.8	2.8
Services	335.4	426.4	27.1	4.1	4.1
Government:	202.6	242.1	19.5	3.0	3.6
Federal	43.6	46.5	6.7	1.1	2.6
State	40.5	53.3	31.6	4.7	3.7
Local	118.5	142.3	20.1	3.1	4.0
Total Wage & Salary	1417.5	1642.7	15.9	2.5	2.8
Population	2737	3183	16.3	2.55	2.50

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Table 7

Atlanta Personal Income in 1994

	1988	1994	% Change	Annual Rate	Previous Estimated Growth Path
Labor & Proprietors' Income:					
1. Wage & Salary Income	35634	55867	56.8	7.8	8.8
2. Other Labor Income	3205	4473	39.6	5.7	4.4
3. Proprietors' Income	3220	4362	35.5	5.2	6.4
Farm	137	146	6.6	1.1	2.2
Nonfarm	3083	4216	36.7	5.4	6.6
Labor & Proprietors' Income					
1. Farm	150	163	8.7	1.4	2.6
2. Contract Construction	2682	3954	47.4	6.7	4.7
3. Manufacturing:	5653	7148	26.4	4.0	5.0
Durables	3193	3746	17.3	2.7	4.8
Nondurables	2460	3402	38.3	5.6	5.1
4. Transportation, Comm. & Utilities	4884	6664	36.4	5.3	8.7
5. Trade:	9746	14968	53.5	7.4	8.2
Wholesale	5393	8596	59.4	8.1	8.0
Retail	4353	6372	46.4	6.6	8.5
6. Finance, Insurance & Real Estate	3658	5366	46.7	6.6	8.9
7. Services	9982	18132	81.6	10.5	10.5
8. Other Industries	200	211	5.5	0.9	7.5
9. Government:	5104	8096	58.6	8.0	8.7
Federal Civilian	1314	1904	44.9	6.4	7.5
Federal Military	294	320	8.8	1.4	6.3
State & Local	3496	5872	68.0	9.0	9.3
Plus:					
Property Income	6786	11757	73.3	9.6	8.7
Transfer Payments	4346	7031	61.8	8.3	7.3
Residence Adjustment	-1062	-1025	----	---	---
Less: Social Ins. Contributions	2548	4386	72.1	9.5	11.2
Equals: Total Personal Income	49581	78079	57.5	7.9	8.2
Real Personal Income**	40640	47755	17.5	2.7	2.8
Atlanta CPI (1982-84=100)	122.0	163.5	34.0	5.0	5.3

** Assuming CPI rises 5.0% per year, adjusted to reflect difference from national purchasing power, and to eliminate CPI bias.

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FORECAST OF GEORGIA & ATLANTA

1990-1991

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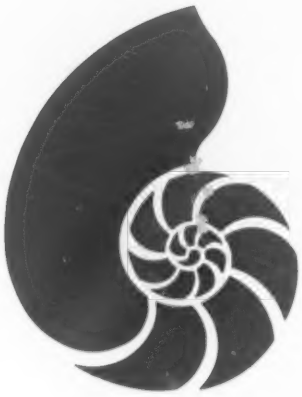
February 1990

Dr. Donald Ratajczak, Director



ECONOMIC FORECASTING CENTER

RETAIL SLUMP KEEPS GEORGIA MIRED IN SLOW GROWTH

Dr. Donald Ratajczak
Director
Economic Forecasting Center

SUMMARY

Following a year of substantial weakness in manufacturing employment, the support industries, such as retailing and finance, are now becoming shaky. Although Atlanta may be able to withstand some of this adjustment because of continued rapid growth in business and health services, those activities are relatively less significant around the state. Also, the strong market for carpets and industrial textiles is beginning to waiver. Therefore, a dip to only 1.1% gains in employment and a rise to a 6.1% unemployment rate now is anticipated for Georgia in 1990. The gross state product is expected to grow a meager 1.5%, about the same as for the nation.

The weakness in manufacturing should subside by 1991. Some stability in the retail and finance sectors also should resurface about that time. One continuing drag will be reductions in defense activity. Civilian defense payrolls are projected to fall nearly 3% in that year while military earnings also are expected to fall slightly. Nevertheless, employment is expected to rebound modestly to a gain of 1.9% while gross state product should grow 2.5%. Again, these will be close to performances expected for the United States.

Slowing employment growth and rising unemployment already have slowed population gains to only 1.5% for 1989. Reduced military activity and a continuation of sluggish employment opportunities may further slow population gains to only 1.2% by 1991. Non-farm personal income is expected to grow a sluggish 6.8% in 1990, down from 8.5% in the preceding year. A modest 7.4% gain is then expected for 1991.

This year's state budget receipts may fall more than $50 million below projections. The loss of tax collections for some food items next September will lower collections to only a 5% gain for the next fiscal year. According to our personal income estimates, a rebound to only a 7.5% gain is likely in the subsequent fiscal year. No serious budget problems are envisioned, but the state must be cautious in allocating its resources in these low revenue times.

While our current projections are based upon available data, the weakness in retail employment statewide appears to be overstated. For example, retail employment fell by more than 11,000 this December from a year ago. Only about 3000 of that decline can be traced to weakness in the metropolitan areas. Thus, upward revisions in retail activity could lead to higher estimates for employment in 1990 after the benchmark revisions become available.

RECENT CONDITIONS

First the good news. Following sluggish performance during the second and third quarters, the Georgia coincident indicators registered a sharp rebound in the fall. Except for some drift in unemployment claims and modest weakness in corporate income tax receipts, a problem that plagues revenue raisers nationwide, the indicators showed substantial gains. The important index of hours worked rebounded smartly in the fall, although weakness in corporate earnings may suggest that these employment gains were at the expense of productivity performance. If so, some weakness should reappear early next year. After adjusting for

unusually strong revenue growth rates as a result of the sales tax rate increase, the 3.4% increase in the coincident indicators from a year ago is consistent with slightly more than a 2% gain in Georgia's gross state product. This compares with a 2.4% gain for the nation.

The monthly indicators also were encouraging. Only unemployment claims posed a modest problem. The insured unemployment rate reached its lowest point of the year at 1.2% while hours worked continued to grow modestly.

Further good news can be discovered in the leading indicators, which also rebounded strongly for the quarter. Although down sharply from a year ago, residential permits showed a rebound in the quarter. Initial unemployment claims stabilized, while sales taxes continued to grow strongly. Some slowing in the manufacturing workweek, however, suggests that downward adjustments in employment are likely in the months ahead. Furthermore, nonresidential construction contracts continued to weaken sharply and are down 9% from the previous year. Even the 29% increase in sales tax collections is less than would have been anticipated by the one-third increase in the sales tax rate. Thus, the consumer portion of the indicators is deceptively strong. On balance, however, the Georgia economy appears to be moving upward at the present time with sufficient positive indicators to suggest that modest expansion rather than contraction is likely in 1990.

Georgia employment appears to have rebounded slightly in the fourth quarter according to seasonally adjusted payroll data. However, employment remains below first-quarter seasonally adjusted averages even with a modest further improvement in December. At the present time, the manufacturing sector appears to be showing little movement, although further announced closings in auto assembly in the Atlanta area will lead to further significant declines in employment in transportation equipment early in 1990. The apparel sector continues to weaken noticeably, but textiles continue to show strength in carpeting to offset weakness in weaving and yarn mills. Some weakness in the carpet industry is projected for next year, however. Manufacturing employment continues to weaken for the construction-related industries, such as furniture and lumber. Modest weakness also is continuing in primary metals, electrical equipment, and instrumentation. However, there is growth in non-electrical machinery, fabricated metals, paper, printing and chemicals.

Statewide, construction appears to have reached a balance. More public works are offsetting weakness in housing activity. Little change in construction employment is anticipated over the next two years. A rebound is developing in mining following substantial weakness during the summer months.

A continued rebound in airline traffic as Eastern rebuilds its Hartsfield complex is more than offsetting continuing weakness in the trucking industry statewide. Little employment growth is currently being registered in the communications or utilities industries.

The area of significant weakness is in retail trade, where little growth in dollar-taxable sales apparently is taking its toll upon retail vendors. Such an adjustment certainly was anticipated by the unusual sluggishness in retail sales, but the corrections should be well along at this time. Weakness also is apparent in nondurable goods wholesale activity. However, wholesale trade in durable goods remains strong. All the cost-cutting measures in the banking industry along with continuing problems in the brokerage business is taking its toll upon financial services. Fortunately, a rebound in insurance activity is preventing an outright dip in the entire financial group. Obviously, slower population growth is leading to reduced housing activity. As a result, some weakness in real estate employment also has surfaced.

The Georgia hotel industry did not have a good year in 1989, as occupancy levels fell to their lowest level in a decade. However, some new hotel construction and slightly higher occupancy rates in 1990 and 1991 should add to employment in that industry. At the same time, the boom in business services and health services that appears to be concentrated in the Atlanta area continues to bolster Georgia services employment.

One other area of employment weakness is developing in federal government. Civilian defense jobs are beginning to contract. Little growth now is expected for other federal employees as well. While last year's tax increases allowed the state government to maintain strong employment gains, more stringent budgetary conditions will slow the growth of government payroll in the next two years. Similarly, local governments are expected to feel the crunch and slow their employment gains as well. Nevertheless, nearly half of Georgia's employment gains in 1990 will be on state and local government payrolls. Only 33,600 total new jobs are anticipated. In 1991, a still-modest 55,600 new jobs are expected.

The weakness in Georgia employment does not seem to be reflected in current estimates of Georgia's personal income. For example, non-farm personal income in the third quarter was up 8.7% from the previous year. This compares to an 8.5% gain for the United States. Farm income in Georgia fell by more than 30%, but it declined a substantial 26% in the U.S. Property income continued to rise much more rapidly in Georgia than in the U.S., with a 2.0% gain for the quarter as compared to 1.3% nationwide. State unemployment insurance benefits fell in Georgia while it rose nationwide. Excluding unemployment compensation, transfer payments to Georgia residents grew 1.7% as compared to a more modest 1.5% expansion in the United States. Wages and salaries grew more slowly than nationwide while employment benefits increased more sharply in Georgia than in the nation. A rebound in payrolls for manufacturing and transportation in Georgia in comparison to the United States was more than offset by an actual dip in retail trade payrolls and much more sluggish growth in the finance and federal civilian payroll groups than in the nation. However, military payrolls grew more strongly in Georgia than nationwide during the third quarter while state and local payrolls also spurted sharply.

Georgia taxable sales showed only a negligible improvement to 1.5% year-over-year gain in the summer. This suggests that consumption remains up about 4.5% from previous-year levels after adjusting for service activity. This continues to show more than a 3 percentage point reduction in consumption relative to disposable income. Clearly, the rebound in taxable sales that was anticipated for the fall did not materialize. As a result, a modest decline in retail trade employment is currently justified. However, the 3 percentage point discrepancy between consumption and income should not persist indefinitely. Therefore, a rebound to more normal 3% gains in retail employment should be anticipated for 1990 and 1991. In the previous two years, taxable sales averaged 6.3% and 6.2% respectively.

No serious employment problems are revealed by the insured unemployment rates for Georgia and Atlanta. Indeed, in December Georgia's insured unemployment rate at, 1.1%. was even lower than Atlanta's 1.2% rate. This compares with a 2.2% insured unemployment rate for the nation. The household and payroll surveys continue to show similar employment gains for Georgia, suggesting that any benchmark revisions may not be very large. A remarkable slowing in the labor force growth in Georgia now appears to be the result of a similarly remarkable slowing in population growth rates. However, the labor force is only up 1.1% from a year ago even though unemployment has drifted upward by only 0.2 percentage points. In comparison, the unemployment rate remains unchanged from previous-year levels for the United States.

A falling labor force has more than offset declining employment opportunities in Albany, leading to a 0.6 percentage point decline to 7.1% in its unemployment rates by November. A falling labor force also aided unemployment prospects in Augusta where unemployment is an unusually low 4.7% or 0.5 percentage points less than the previous year. However, some modest employment gains also have been registered there. The labor force also was down in Savannah despite a 1000 job gain as measured by the household surveys. As a result, unemployment rates fell by almost a full percentage point to 4.8%. The unemployment rate also is at 4.8% in Atlanta for December, but that was 0.2 percentage points higher than a year ago. The Atlanta labor force continues to grow strongly. Indeed, current estimates have the entire Georgia labor force gains in Atlanta with an increase of 2.4%. Labor force gains were also strong in the Macon area as the unemployment rate drifted upward by 0.4 percentage points. Unemployment remained largely unchanged in Athens as both labor force and employment showed modest increases. Athens

remains the lowest unemployment area of all metro areas in the state. Columbus has experienced a significant decline in the unemployment rate, as modest employment gains have occurred without any notable increase in the labor force. The implications of the household survey are that the only substantial population gains in the state currently are occurring in Atlanta and Macon.

A modest discrepancy exists between the household and payroll surveys for Augusta. According to household estimates, some employment gains have been generated, while the payroll estimates show a modest decline. Some upward revisions probably will develop when the benchmark estimates are made. Although taxable sales remain positive in Augusta, they slowed sharply during the third quarter to only a 4% gain from the previous year. Most of that improvement was in the Aiken, South Carolina county. Nevertheless, some modest rebound in retail trade should surface. Indeed, retail trade currently is showing the only source of strength in the Augusta area. Manufacturing activity is off by 700 jobs from a year ago while the finance sector also has experienced a modest job loss. Construction remains strong, as housing permits continue to grow. However, if the population estimates are correct, some slowing is anticipated for construction in 1990.

The household estimates are considerably stronger for Macon than the payroll estimates. Macon continues to show modest gains in manufacturing, especially as a result of continuing expansion of aerospace activity. Most of the nonmanufacturing growth is in retail trade and a modest rebound in the financial sector. However, except for Peach county, Macon's taxable sales look anemic. Therefore, gains in retail employment probably are not sustainable at this time. Slow growth in Macon employment is expected early next year.

Taxable sales in Savannah also are anemic but certainly are slightly positive. Employment gains here are decidedly stronger than the household survey suggests. Gains in manufacturing largely are in paper while transportation equipment is showing a modest decline. Transportation activity has swelled, partially as a result of a rebound in port activity. Retail trade is showing a modest decline consistent with inflation-adjusted declines in taxable sales. Strong growth in state and local payrolls appear to account for about one quarter of the job gains generated in Savannah this year. Some rebound in retail activity should allow for a continuation of modest expansion next year. At some point, the reduced unemployment rates should begin to stimulate some population growth that would allow a modest rebound in construction activity.

The household estimates show more growth in employment in the Columbus area than is apparent in the payroll estimates. Despite a rebound in the metals industry, softness in textiles appear to be generating a decline in total manufacturing payrolls. Slower population growth is responsible for the dip in construction activity, while trade continues to expand modestly. Some rebound in taxable sales gives some promise to the strength in retail, but retail activity probably is outstripping sales growth at this time. If the weakness in textiles can be contained, a modest rebound in Columbus employment is likely during the next two years.

Mortgage rates have rebounded as prices shot up with the cold weather. The effective mortgage is now over 10% and could climb to 10.25% before again weakening in the spring. Rates should not fall below 9.5% this year or next year. In December, the effective mortgage rate nationwide was 10% or 0.44 percentage points higher than a year ago. The average house price was up $10,900 from the previous year. In Atlanta, the effective rate was 9.77%, but still up 0.39 percentage points from a year ago. The average home purchase price was up $10,200, a sharp slowing from housing prices in previous months. Further modest slowing is expected because of excess inventory in the Atlanta market.

Sales tax receipts jumped in December, leading to an acceleration of revenue gains to 16.1% for the second quarter of this fiscal year. This compares to 15.1%, 12.5%, 13.3%, 6.4%, and 6.8% in previous quarters. Revenue gains should exceed 12.5% for the current fiscal year. The loss of revenue from exempted food items next September will lower revenue growth to 4.5% next fiscal year, causing some budgetary problems. Indeed, the governor's 5.1% projection after this sales tax adjustment probably will not be met. Revenues are then expected to expand 7.5% in the subsequent fiscal year.

Sales tax collections showed a strong rebound in the Christmas quarter, with a 37.7% gain. This compared to increases of 30.9%, 21.8%, 3.7%, 4.6%, and 3.3% in previous quarters. In December the gain was a strong 41.5% from the previous year. All state and local governments did not have a substantial increase in their tax rates. Therefore, their increase was only 5.4% for the quarter. This compares with gains of 7.0%, 6.5%, 6.7%, 7.0%, and 5.1% in previous quarters. Personal income remained exceedingly sluggish with only a 7.1% gain in the quarter. In previous quarters, the gains were 8.2%, 18.9%, 17.4%, 11.5%, and 10.5%. All state and local governments showed gains of 9.0% for the quarter. This compares with gains of 8.9%, 8.2%, 8.6%, 8.1%, and 11.7% in previous quarters. In December, the Georgia increase remained a sluggish 8.3%. Corporate taxes were off everywhere in the fourth quarter, but less in Georgia, where the decline in tax accruals was only 0.9%. Collections were up 16.4% for December. This compares with a 0.3% gain in the previous quarter followed by a plunge of 13.9% in the spring and gains of 41.3% and 32.5% in previous quarters because of a change in the timing of payments. All state and local governments are expected to experience a sharp 24.8% plunge in corporate tax collections following a 16.1% decline in the previous quarter. Collections were down 5.6% in the second quarter but rose 3.0%, 10.8%, 13.3%, and 7.8% in previous quarters. Thus, Georgia corporations still are outperforming the nation.

SUMMARY OF OUTLOOK

Manufacturing sluggishness is not over. An indefinite layoff has occurred for the second shift at the Doraville assembly plant in Atlanta. In addition, the Lakewood assembly plant in Atlanta will be idled permanently after March.

Several banks continue to announce consolidations that also are leading to declining employment activity. Uncertainty also exists concerning the Campeau-related chains in Georgia. Taxable sales apparently rebounded slightly in the fourth quarter, but not enough to reverse the downward direction in retail employment. At some point, however, the exceptionally high savings activity, which is reflected in sharply stronger growth in property income than nationwide, should give way to more normal spending programs. Thus, the weakness in employment growth should gradually give way to stronger activity as the year progresses. Another uncertainty surrounds Eastern Air Lines, which currently is rebuilding its hub at Hartsfield Airport. In December, payrolls were only 23,000 above previous-year levels, and 15,000 of that gain was in government payrolls. With budgetary restraints becoming more obvious, payroll gains will be much more subdued in the government sector during the next two years.

On balance, the outlook is one for no further cumulative weaknesses, although the retail and finance areas continue to adjust to previous sluggishness in the manufacturing sector.

Activity still could weaken significantly in the textile area, especially if carpeting begins a cyclical decline. Also, declines in defense spending will have an adverse effect upon military and civilian defense payrolls. However, continued strong gains in the business and health services sector along with modest improvement in transportation services and some significant gains in fabricated metals and chemicals should prevent the Georgia economy from slipping into a recession. The typically volatile construction sector appears to be leveling at reduced levels of activity. Whether Georgia can avoid a recession will depend upon consumer spending during the period of manufacturing weakness early in the year. As savings rates apparently have leaped by almost 3 percentage points in the past year, further conservative spending patterns by the Georgia consumer are not anticipated. Therefore, modest employment growth probably will continue, although a down quarter in employment during the first quarter of 1990 still is possible. This would be the second negative quarter of employment gains, as employment fell sharply during the second quarter of 1989 with the aid of the Eastern Air Lines strike. Modest employment recovery is expected later in the year, however. And, 1991 should be a year of gradual recovery from surprisingly subdued economic activity in the previous year.

Non-farm personal income will probably show the smallest gains in a decade in 1990 before a modest rebound occurs in 1991. Much of the weakness is in wage and salary growth with sluggishness especially apparent in the retail trade sector. Even minimum wage legislation is not able to prevent a slowing in wage gains in that sector. Budgetary restraints also mean that government payrolls will be growing slowly in 1990 and 1991.

As a result of this sluggish employment and income activity, population gains in Georgia are expected to continue declining. Preliminary estimates of population for 1989 already show a significant slowing from 1.8% in 1988 to only 1.5%. Further slowing is anticipated in the next two years. This could generate some further weakness in the construction sector, but construction should remain near current levels for the next two years.

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Obviously, a strong airport with good services is necessary to sustain that growth activity. The rebound in Eastern Air Lines therefore is a necessary condition for Atlanta's economic development in the next two years.

By the end of 1990, the retail and finance imbalances will have been removed and the city should be positioned for further growth in 1991.

There are some manufacturing bright spots. The metals industries are showing modest gains following moderate weakness in the past two years. Nonelectrical machinery is once again expanding. Chemicals activity has spurted in recent months as a result of new firms in the area. As a result, even further weakness in transportation equipment should be absorbed without further significant declines in manufacturing payrolls.

One fly in the ointment is the reduction in defense spending. Although defense budgets are not large in the Atlanta area, a disproportionate share of the defense cutbacks may be reflected in Atlanta payrolls and military earnings. After creating 25,300 additional jobs in 1989, Atlanta should be able to create 26,600 new jobs in 1990. 34,000 new jobs are likely in 1991. With the slower population gains now developing, these employment gains should be sufficient to allow a modest decline in the unemployment rate by 1991.

Taxable sales continued to perform sluggishly in the Atlanta area during the third quarter. The increase was only 1.2%, which was slightly less than the 1.5% experienced in the state. Double-digit taxable sales declines were recorded in Douglas and Fayette counties, the first declines reported in Fayette county during this expansion. Surprising sales weakness continued in Clayton and Cherokee while Gwinnett county showed minimal growth. Henry county also lapsed into weakness following a surprising spring surge. Fulton county showed surprising strength, possibly because of the success of Underground Atlanta. However, with minimal gains in Cobb and Gwinnett, modest 2.4% gains in DeKalb and a slump in Clayton, Fulton's strength clearly was an aberration. According to our estimates, Atlanta showed a rare slowing in non-farm personal income relative to the state. Nevertheless, savings rates probably are rising nearly the same 3 percentage points as in the state. Some of this is not surprising, as property income is surging in Atlanta. Transfer payments also are strong while wage gains are weak. Many of the employment losses in Atlanta have been in the high wage sectors. Most of the strong earnings gains have been in state and local payrolls and in services. With budgetary restraints, government payroll growth should subside significantly during the next two years. Indeed, non-farm personal income is expected to grow more slowly in 1990 than in 1989 before rebounding modestly in 1991.

Although permit estimates show a further 12% decline in housing permits in 1990, this level of activity actually was reached during the second quarter of 1989. At that time, permits were 31% below previous-year levels. By the fourth quarter, they were only 4% less than in the previous year. Gwinnett county actually reversed a declining trend to show a 23% gain in the fourth quarter of 1989. Other fourth quarter gainers were Paulding, 38%, Newton, 43%, Douglas, 8%, DeKalb, 18%, Coweta, 5%, and Clayton, 0.4%. While still declining, Cobb has narrowed its weakness to 10% from the previous year. However, some counties, such as Spaulding, Rockdale, Forsyth and Cherokee, are showing accelerating weaknesses. They may register further declines in 1990.

Several counties have begun substantial multi-family activity. They include Coweta, Douglas, and Fayette counties. Even Newton and Paulding have begun some multi-family projects. On the other hand, multi-family activity remains minimal in Gwinnett and continues to slow significantly in Fulton, DeKalb, and Cobb counties. Clayton county also is slowing its multi-family activity, but activity remains extensive there. Thus, much of the adjustment still required in 1990 will fall upon the apartment complexes. Further weakness is expected in 1991, but this is because of anticipated increases in mortgage rates following a more favorable mortgage rate environment in the second half of 1990.

Although the median house price in Atlanta has slowed significantly, housing values still are rising modestly. Many of the subdivision markets are showing some weakness, with appraisals falling slightly in Gwinnett, North Fulton, and Cobb counties, at least the assessments used to provide loans. However, our measure of housing imbalance suggests that no substantial price concession should appear in the marketplace. An inventory overhang is expected to persist, but sufficient population gains are occurring to permit housing activity near current levels.

The latest Coldwell Banker estimates of industrial vacancy rates shows a spurt to 6.8% in Atlanta as compared to a modest increase to 6.4% nationwide. This suggests that construction is slightly excessive in the industrial sector at the present time and could have a slight downward impact upon rental rates. Coldwell Banker's estimates of office space show a spurt in suburban vacancies to 20.8% for Atlanta as compared to 21.4% nationwide. The downtown area, however, shows a 13.4% vacancy as compared to 16.7% for the nation. More significantly, the Real Data estimates of office vacancies show that newer buildings have been struggling to fill their space. Of the 5.6 million square feet under construction, only 28% of the space currently is leased. Moreover, this construction activity is a rebound from completions of 4.5 million square feet in 1988 and slightly more than 4.8 million square feet in 1989. Thus, vacancy rates could be rising in the Atlanta area by the end of 1990 or early 1991 and rental rates could be softening slightly. A glut of class B space is developing in the Atlanta area which could begin to put downward pressures upon class A rental rates.

According to the Rubloff studies, net absorption was under 1 million in the Atlanta office market during the third quarter. This would suggest less than 3 million square feet of total absorption for the year. Absorption has been satisfactory in the central business district while little absorption occurred in the Midtown area. However, current announcements of shifts by First Union should substantially alter those figures for the fourth quarter. Absorption was surprisingly robust in the Buckhead area where more than 400,000 square feet have been occupied since the first of the year. Only 320,000 square feet currently are under construction so the 17.7% vacancy rate should come down early next year. Absorption also was strong in the North Central area including the Perimeter area with more than 600,000 square feet absorbed thus far this year. Only 330,000 square feet are under construction but a dramatic 5 million square feet currently is proposed. More than 600,000 square feet also have been absorbed in the Northwest area but more than 800,000 square feet is under construction. As a result, no significant change in vacancy rates is expected in that area any time soon. Especially competitive positions in the Midtown area could generate significant problems for the older buildings in the central business district during the next two years. As a result, rental rates in the downtown area probably will be under downward pressures. Concessions also are expected in Midtown but concessions should be less substantial in the Buckhead and Perimeter areas.

Unlike office space, the Real Data figures show similar rental performance for new and old facilities. In general, the vacancy rate is about 14%, although 35% of space under construction has not been committed. New retail square footage has been exceptionally robust during the past two years with available square feet growing 7.2 million in 1988 and an additional 5.2 million in 1989. Even with a slackening of activity, 3.2 million square feet currently is under construction. Some of these areas probably will suffer severe financial restraints.

In the latest report on retail trade, the South Atlantic states performed slightly better than the United States in November from the previous November. This is an improvement from previous months. Atlanta's retail trade for the first 11 months was 4.9%, slightly less than the 5.3% recorded nationwide. Sales of nondurable goods were up 4.7% as compared to a 6.3% gain for the nation. Again, weakness in department store sales appears to be the factor holding down the Atlanta performance. Including leasing departments, department store sales in Atlanta were only up 1.7% as compared to a 5.6% gain nationwide. Thus, the sluggish performance measured by taxable sales appears to be present in the monthly retail trade estimates as well.

SUMMARY OF OUTLOOK

Atlanta rebounded following its sluggishness during the second quarter when the Eastern Air Lines strike and automobile assembly adjustments took their toll. However, retail employment remains weak as several more department store chains have left the area. Uncertainty surrounding Rich's because of the Campeau bankruptcy filing may continue to have adverse effects upon retail employment through the first part of 1990. In addition, Eastern continues to struggle, although it has rebuilt its Atlanta hub. This continues to raise concerns about the foundations for current strength in the transportation sector.

Indeed, the retail, finance, and construction adjustments to lower manufacturing activities in Atlanta are well along. Only modest further weakness is expected in construction employment during the next two years. Retail activity should rebound following weakness early in 1990. Employment gains are sufficiently robust in business services and health services to offset any further weaknesses that may develop because of GM-downsizing and Lockheed's reductions in the Atlanta area. Thus, the worst of the employment declines apparently have passed without serious damage to the Atlanta economy. No serious price erosion is occurring in real estate product, although some declines in rental rates clearly are anticipated in 1990.

Some sluggishness should continue to be present during the first half of 1990 as further adjustments in the automobile industry develop. However, employment gains in fabricated metals, chemicals, and the service sector suggest that the worst of Atlanta's weakness is now upon us. There actually has been a slight uptrend in employment gains over the past six months. This uptrend may level out early in 1990 before resuming later in the year. Thus, employment gains should be more robust than in recent months.

The city still needs a new engine for economic growth. The strengths in the service sector are merely offsetting weaknesses in manufacturing. The Georgia Dome will help expand convention activity after 1992. Further international routes at Hartsfield will increase the importance of that transportation hub. However, the loss of manufacturing in the Atlanta area is significant and cannot be totally ignored. For that reason, Atlanta developers will have to work with job gains in the 30,000 per year range rather than in the 60,000-70,000 range that occurred several years ago. The development industry has downsized, but it remains to be seen if their enthusiasm has been dampened enough to prevent any further overbuilding in the Atlanta area. In any event, any price erosion of real estate property is expected to be modest. Housing prices, for example, probably will resume an up trend later in 1990.

Table 1

Georgia Wage & Salary Employment (Seasonally Adjusted) for 1987-89 with Forecasts through 1991

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1990

Description	Quarterly Seasonalized Data I 89	II 89	III 89	IV 89	DEC(P)	Annual Percentage Change 88/87	89/88	90/89	90/91	Annual Average 1987	1988	1989(P)	1990(F)	1991(F)
1. MANUFACTURING	568.4	564.2	565.1	562.7	564.2	0.5	-1.6	-0.7	0.2	571.2	574.1	565.1	561.4	562.3
2. DURABLE GOODS	217.4	215.0	216.8	214.4	215.7	0.3	-3.5	-1.3	0.4	223.0	223.8	215.9	213.1	214.0
3. LUMBER AND WOOD	33.2	32.9	32.5	32.3	32.3	-0.7	-2.9	-1.9	0.3	33.9	33.7	32.7	32.1	32.2
4. FURNITURE AND FIXTURES	11.3	11.4	11.3	11.0	10.8	-5.0	-0.7	-3.0	0.0	11.9	11.3	11.2	10.9	10.9
5. STONE, CLAY, AND GLASS	21.0	20.5	20.0	20.0	20.0	0.6	-3.7	-2.2	0.0	21.0	21.1	20.4	19.9	19.9
6. PRIMARY METAL INDUSTRY	15.7	15.7	15.8	15.6	15.6	-1.3	-0.6	-0.5	0.6	16.0	15.8	15.7	15.6	15.7
7. FABRICATED METAL	21.9	21.7	21.8	22.4	22.5	3.1	3.1	3.9	2.6	20.6	21.3	21.9	22.8	23.4
8. MACHINERY EXC ELECTRIC	26.7	26.6	27.0	27.3	27.5	2.5	1.9	3.3	1.8	25.8	26.4	26.9	27.8	28.3
9. ELECTRIC & ELECTRONIC	31.6	32.0	31.5	31.2	31.4	4.4	-0.5	0.8	0.9	30.4	31.7	31.6	31.8	32.1
10. TRANSPORTATION EQUIP	42.8	41.1	44.0	42.1	43.0	-3.0	-13.7	-6.6	-1.5	50.8	49.3	42.5	39.7	39.1
11. OTHER DURABLE GOODS	13.2	13.1	13.0	12.7	12.7	4.6	-1.3	-3.7	-0.8	12.6	13.2	13.0	12.5	12.4
12. NONDURABLE GOODS	351.0	349.2	348.3	348.2	348.5	0.6	-0.3	-0.3	0.0	348.2	350.3	349.2	348.3	348.3
13. FOOD AND KINDRED	60.7	60.3	60.4	60.7	60.4	-2.0	1.7	1.3	1.1	60.7	59.5	60.5	61.3	62.0
14. TEXTILE MILL PRODUCTS	110.5	110.6	110.5	109.8	110.1	1.9	0.9	-0.5	-0.6	107.3	109.4	110.4	109.8	109.1
15. APPAREL & TEXTILE	65.9	65.6	64.5	64.2	64.1	-1.1	-3.9	-2.6	-1.6	68.5	67.7	65.1	63.4	62.4
16. PAPER & ALLIED PRODUCT	31.6	31.4	31.2	31.6	31.8	1.8	-1.7	0.5	0.6	31.4	32.0	31.5	31.6	31.8
17. PRINTING & PUBLISHING	39.7	39.4	39.7	39.7	40.2	5.1	0.7	1.9	1.2	37.5	39.4	39.6	40.4	40.9
18. CHEMICALS & ALLIED	19.6	19.4	19.5	19.8	19.7	1.4	0.6	0.7	1.5	19.2	19.4	19.6	19.7	20.0
19. LEATHER & LEATHER PROD	2.0	1.8	1.8	1.9	1.9	13.7	2.8	1.7	0.0	1.6	1.8	1.9	1.9	1.9
20. OTHER NONDURABLE GOODS	21.1	20.8	20.6	20.5	20.3	-4.6	-1.6	-2.6	0.0	22.1	21.1	20.7	20.2	20.2
21. TOTAL NONMANUFACTURING	2386.4	2367.5	2366.6	2375.7	2380.1	4.3	3.0	1.6	2.3	2210.5	2304.9	2374.1	2411.4	2466.1
22. MINING	9.0	8.9	8.7	8.8	9.0	4.9	-0.4	1.4	0.0	8.5	8.9	8.9	9.0	9.0
23. CONSTRUCTION	143.7	142.9	142.4	144.3	144.6	-2.1	-3.8	0.5	0.5	152.2	149.0	143.3	144.1	144.8
24. TRANSP, COMM & PUB UT	186.5	182.1	183.6	186.8	188.3	4.0	1.3	2.8	1.1	175.4	182.3	184.7	189.9	192.0
25. TRANSPORTATION	115.0	110.4	112.4	115.3	117.0	4.7	2.1	4.5	1.6	105.9	111.0	113.3	118.4	120.3
26. COMMUNICATION	44.0	44.3	43.9	44.0	43.9	2.8	-0.5	-0.3	-0.2	43.1	44.3	44.1	43.9	43.8
27. UTILTIES	27.5	27.4	27.3	27.5	27.4	2.7	1.4	0.6	1.1	26.3	27.0	27.4	27.6	27.9
28. WHOLESALE & RETAIL TRADE	779.9	767.3	757.7	752.9	751.4	5.1	3.6	-0.3	2.4	702.5	738.0	764.5	762.4	780.9
29. WHOLESALE TRADE	226.6	225.3	225.0	225.3	225.8	6.0	4.8	1.0	1.5	203.0	215.1	225.6	227.8	231.2
30. DURABLE GOODS	148.2	147.4	147.7	148.6	149.1	7.4	4.8	1.4	1.5	131.4	141.1	148.0	150.1	152.3
31. NONDURABLE GOODS	78.4	77.9	77.4	76.7	76.6	3.4	4.9	0.1	1.5	71.6	74.0	77.6	77.7	78.9
32. RETAIL TRADE	553.4	542.0	532.6	527.6	525.6	4.7	3.1	-0.8	2.8	499.5	522.9	538.9	534.6	549.7
33. FINANCE, INSUR & RL EST	165.0	163.3	162.8	162.8	163.1	3.7	1.4	0.1	1.7	155.4	161.1	163.5	163.6	166.4
34. FINANCE	72.7	71.8	71.4	70.9	70.8	2.1	0.1	-1.6	1.0	70.2	71.6	71.7	70.6	71.3
35. INSURANCE	53.5	53.5	53.9	54.3	54.6	4.5	2.3	2.5	2.7	50.4	52.6	53.8	55.2	56.7
36. REAL ESTATE	38.8	37.9	37.4	37.6	37.6	5.6	2.8	-0.3	1.6	34.9	36.9	37.9	37.8	38.4
37. SERVICES	592.4	591.1	595.2	602.3	605.2	5.7	4.4	3.3	3.1	539.8	570.4	595.2	614.8	633.9
38. HOTELS & OTHER LODGING	40.5	39.4	39.3	39.8	40.0	1.9	-0.3	1.4	1.2	39.1	39.8	39.7	40.3	40.8
39. BUSINESS SERVICES	154.9	154.5	154.8	157.1	158.7	9.6	6.1	4.7	3.8	133.7	146.5	155.3	162.7	168.9
40. HEALTH SERVICES	137.9	139.7	140.1	141.5	142.1	4.5	3.3	3.3	3.3	129.5	135.3	139.8	144.4	149.1
41. GOVERNMENT	509.9	511.8	516.3	517.9	518.5	3.9	3.8	2.7	2.2	476.7	495.2	514.0	527.6	539.1
42. FEDERAL GOVERNMENT	102.6	102.3	101.3	100.8	100.9	0.6	1.9	-1.1	-1.3	99.3	99.8	101.7	100.6	99.3
43. DEFENSE	36.7	36.5	36.5	36.3	36.4	-4.8	1.5	-0.9	-2.8	37.8	36.0	36.5	36.2	35.2
44. OTHER FEDERAL	65.9	65.7	64.7	64.6	64.5	3.9	2.2	-1.3	-0.5	61.5	63.8	65.2	64.4	64.1
45. STATE & LOCAL GOVERNMENT	407.3	409.6	415.0	417.0	417.7	4.8	4.3	3.6	3.0	377.4	395.4	412.2	427.0	439.8
46. STATE GOVERNMENT	121.0	120.7	122.3	123.8	124.6	4.7	4.2	3.3	2.8	111.8	117.0	121.9	125.9	129.4
47. STATE EDUCATION	48.2	47.6	49.0	49.9	50.5	3.8	3.6	4.2	3.7	45.3	47.0	48.7	50.7	52.6
48. OTHER STATE GOVT	72.8	73.0	73.3	73.9	74.1	5.3	4.6	2.7	2.1	66.5	70.0	73.5	75.2	76.8
49. LOCAL GOVERNMENT	286.3	288.9	292.7	293.2	293.1	4.8	4.3	3.7	3.1	265.6	278.3	290.3	301.1	310.4
50. LOCAL EDUCATION	150.2	152.0	156.2	153.7	153.0	5.1	4.0	3.5	3.1	140.0	147.1	153.0	158.3	163.2
51. OTHER LOCAL GOVT	136.1	136.9	136.5	139.5	140.1	4.4	4.6	4.0	3.1	125.6	131.2	137.3	142.8	147.2
52. TOTAL NONAG. PAYROLL	2954.8	2931.7	2931.8	2938.4	2944.3	3.5	2.1	1.1	1.9	2781.7	2879.0	2939.2	2972.8	3028.4
53. CIVILIAN UNEMPL. RATE	5.4	5.6	5.7	5.6	5.0					5.5	5.9	5.6	6.1	5.8

Source : Data (in 1000's) seasonally adjusted by Forecasting Center.
DEC(P) is seasonally adjusted preliminary December employment. 1990 (F), and 1991(F) are forecasted values.

Table 2

Georgia Personal Income for 1987-88 with Forecasts through 1991

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1989

Description Quarterly Personal Income	Quarterly Data IV 88	 I 89	 II 89	 III89	Annual percent change 87/86	 88/87	 89/88(F)	 90/89(F)	 90/91(F)	Annual Average 1987	 1988	 1989(F)	 1990(F)	 1991(F)
By Place of Residence														
1. Total Personal Income	99939	101530	104152	106014	8.7	8.0	8.6	6.7	7.3	89596	96779	105103	112136	120297
2. Nonfarm Personal Income	98344	99799	102419	104814	8.8	7.9	8.5	6.8	7.4	88425	95431	103588	110590	118740
3. Farm Personal Income	1595	1731	1732	1200	5.1	15.2	12.4	2.0	0.7	1171	1348	1515	1546	1557
Derivation of Income														
4. Total Earnings	77895	78534	80311	81708	9.0	7.8	7.0	6.0	6.4	70157	75626	80907	85778	91278
5. less: SSI Contribution	4493	4775	4812	4855	8.0	12.1	9.0	10.8	7.8	3953	4432	4832	5354	5772
6. plus: Residence Adj	-208	-211	-210	-221	-6.3	-0.3	0.6	-5.1	2.9	-216	-215	-216	-205	-211
7. equals: Net Earnings	73194	73548	75289	76632	9.1	7.6	6.9	5.7	6.3	65988	70980	75859	80219	85295
8. plus: Div, Int, Rent	14075	14789	15420	15735	9.4	10.3	16.5	9.4	10.3	12157	13403	15615	17082	18843
9. plus: Transfer Paymnts	12670	13193	13443	13647	5.8	8.3	9.9	8.8	8.9	11450	12396	13629	14835	16159
10. State UI Benefits	234	242	259	242	1.5	-5.9	17.6	13.8	-4.5	230	216	254	289	276
11. Tnsfrs less SUIB	12436	12951	13184	13405	5.9	8.5	9.8	8.8	9.2	11221	12180	13375	14546	15883
By Place of Work														
12. Components of Earnings														
13. Wages and Salaries	63951	64260	65825	67547	8.8	7.7	7.0	6.5	6.9	57741	62205	66530	70886	75746
14. Other Labor Income	5942	6078	6226	6361	9.9	7.4	8.1	4.7	4.7	5415	5818	6291	6589	6899
15. Proprietors Income	8002	8196	8260	7800	10.2	8.6	6.3	2.7	4.0	7001	7604	8086	8303	8633
16. Farm	1443	1578	1579	1045	5.0	17.3	13.9	1.7	0.3	1020	1197	1363	1386	1390
17. Nonfarm	6559	6617	6681	6755	11.2	7.1	4.9	2.9	4.7	5981	6407	6723	6917	7243
Earnings By Industry														
18. Farm	1595	1731	1732	1200	5.1	15.2	12.4	2.0	0.7	1171	1348	1515	1546	1557
19. Nonfarm	76300	76803	78579	80508	9.1	7.7	6.9	6.1	6.5	68987	74278	79392	84232	89721
20. Private	63604	63834	64983	66673	9.3	7.6	6.1	6.0	6.7	57594	61990	65789	69723	74376
21. Ag Svc, Fish, Etc	334	316	334	342	21.6	10.6	-0.1	3.3	2.6	304	336	336	347	356
22. Mining	305	322	317	324	8.4	6.9	5.6	7.4	6.1	286	306	323	347	368
23. Construction	4832	4769	4681	4717	2.6	2.7	-1.6	4.5	4.7	4681	4807	4728	4941	5173
24. Manufacturing	14376	14621	14830	15284	6.4	3.9	4.4	4.5	5.2	13868	14414	15046	15720	16534
25. Nondurable Goods	8173	8287	8403	8595	7.0	4.7	5.3	4.7	5.0	7708	8068	8496	8895	9340
26. Durable Goods	6204	6334	6427	6689	5.8	3.0	3.2	4.2	5.4	6160	6346	6550	6825	7194
27. Trans and Pub Utils	7109	6965	7298	7446	10.1	6.0	5.3	7.3	5.6	6564	6959	7327	7862	8302
28. Wholesale Trade	7214	7679	7589	7707	8.3	12.2	9.4	5.5	6.1	6258	7025	7684	8107	8602
29. Retail Trade	7691	7781	7869	7832	8.4	7.0	4.1	2.5	6.8	7022	7511	7821	8019	8564
30. Fin, Ins, and RE	5178	4980	5209	5320	12.3	9.3	4.1	4.7	6.2	4600	5029	5235	5483	5823
31. Services	16565	16400	16857	17700	14.0	11.4	10.8	9.3	9.3	14012	15603	17289	18897	20654
32. Gvt and Gvt Entprs	12696	12969	13596	13835	7.9	7.9	10.7	6.7	5.8	11393	12289	13603	14509	15345
33. Federal, Civilian	2956	3093	3115	3117	5.9	8.6	9.0	3.9	4.0	2630	2855	3112	3233	3363
34. Military	1613	1629	1615	1636	3.5	2.7	1.5	1.4	-1.0	1564	1606	1630	1653	1637
35. State and Local	8127	8247	8866	9082	9.7	8.7	13.2	8.6	7.5	7199	7828	8861	9623	10345
36. % of US Nonfarm	2.37	2.38	2.39	2.39						2.38	2.39	2.39	2.38	2.39
37. Population						1.8	1.5	1.3	1.2	6227	6342	6436	6519	6598

Source : Bureau of Economic Analysis
1989(F),1990(F) and 1991(F) are forecasted values.

Table 3

Atlanta Wage & Salary Employment (Seasonally Adjusted) for 1987-89 with Forecasts through 1991

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1990

Description	Quarterly Seasonalized Data I 89	II 89	III 89	IV 89	DEC(P)	Annual Percentage Change 88/87	89/88	90/89	91/90	Annual Average 1987	1988	1989(P)	1990(F)	1991(F)
1. MANUFACTURING	177.1	173.9	176.3	174.9	176.0	-2.3	-4.8	-0.8	0.5	188.8	184.4	175.6	174.2	175.0
2. DURABLE GOODS	87.4	85.0	86.9	85.3	86.1	-3.8	-9.0	-2.6	0.5	98.4	94.7	86.2	83.9	84.3
3. LUMBER AND WOOD	4.0	4.2	4.4	4.3	3.8	-4.0	-13.4	-5.9	2.5	5.1	4.9	4.3	4.0	4.1
4. FURNITURE AND FIXTURES	4.3	4.2	4.1	4.0	4.0	-1.1	-1.2	-1.4	0.0	4.3	4.2	4.2	4.1	4.1
5. STONE, CLAY, AND GLASS	9.4	9.1	8.7	8.7	9.0	-3.4	-3.8	-0.8	0.0	9.7	9.3	9.0	8.9	8.9
6. PRIMARY METAL INDUSTRY	6.4	6.4	6.4	6.4	6.4	-7.5	-1.1	1.6	1.5	7.0	6.5	6.4	6.5	6.6
7. FABRICATED METAL	10.1	10.1	9.9	9.9	10.0	2.5	2.4	0.8	2.0	9.5	9.8	10.0	10.1	10.3
8. MACHINERY EXC ELECTRIC	9.6	9.3	9.2	9.6	9.8	-3.6	-2.0	4.1	3.1	10.0	9.6	9.4	9.8	10.1
9. ELECTRIC & ELECTRONIC	15.9	15.7	15.4	15.4	15.5	6.5	-5.0	-0.1	0.6	15.4	16.4	15.6	15.6	15.7
10. TRANSPORTATION EQUIP	21.5	20.0	23.0	20.9	21.5	-12.0	-23.7	-11.4	-3.2	31.8	28.0	21.3	18.9	18.3
11. OTHER DURABLE GOODS	6.1	6.0	5.9	6.1	6.0	5.8	0.3	-0.0	3.3	5.7	6.0	6.0	6.0	6.2
12. NONDURABLE GOODS	89.7	88.9	89.4	89.6	90.0	-0.7	-0.4	1.0	0.4	90.4	89.7	89.4	90.3	90.7
13. FOOD AND KINDRED	20.2	19.9	20.3	20.1	20.0	-4.1	-0.2	0.8	1.0	21.0	20.2	20.1	20.3	20.5
14. TEXTILE MILL PRODUCTS	7.4	7.1	7.2	7.3	7.3	2.7	-4.5	-0.6	-2.8	7.4	7.6	7.2	7.2	7.0
15. APPAREL & TEXTILE	10.3	10.5	10.2	10.0	10.0	-7.3	-4.0	-1.6	-3.0	11.5	10.7	10.3	10.1	9.8
16. PAPER & ALLIED PRODUCT	9.2	9.0	8.8	9.0	9.1	0.7	0.9	-0.0	1.1	8.9	8.9	9.0	9.0	9.1
17. PRINTING & PUBLISHING	24.1	23.9	24.1	23.9	24.0	4.0	0.0	0.9	0.8	23.0	24.0	24.0	24.2	24.4
18. CHEMICALS & ALLIED	9.2	9.1	9.2	9.7	9.9	0.4	1.7	6.4	2.0	9.1	9.1	9.3	9.9	10.1
19. OTHER NONDURABLE GOODS	9.4	9.5	9.6	9.5	9.6	-1.5	2.7	1.2	2.1	9.4	9.2	9.5	9.6	9.8
20. TOTAL NONMANUFACTURING	1267.3	1259.7	1267.1	1274.7	1278.4	3.8	2.8	2.2	2.6	1187.9	1233.1	1267.2	1295.2	1328.4
21. MINING	1.5	1.4	1.4	1.3	1.3	4.7	-6.1	-7.7	0.0	1.4	1.5	1.4	1.3	1.3
22. CONSTRUCTION	68.0	67.4	67.1	68.5	68.6	-3.7	-3.6	-0.5	-0.4	73.0	70.3	67.7	67.4	67.1
23. TRANSP, COMM & PUB UT	120.8	116.7	119.1	121.8	123.3	4.5	-0.6	3.5	2.1	115.2	120.3	119.6	123.8	126.4
24. TRANSPORTATION	77.3	72.8	75.6	78.0	79.2	4.8	-0.6	5.1	3.1	72.9	76.3	75.9	79.8	82.3
25. COMMUNICATION & UTILITY	43.5	43.9	43.5	43.8	44.0	4.0	-0.7	0.7	0.2	42.3	44.0	43.7	44.0	44.1
26. WHOLESALE & RETAIL TRADE	414.3	412.1	413.4	411.1	410.7	4.2	3.2	0.4	2.5	384.0	400.1	412.7	414.4	424.7
27. WHOLESALE TRADE	141.5	143.4	145.0	145.4	146.0	3.8	4.5	1.9	1.9	132.6	137.7	143.8	146.6	149.4
28. DURABLE GOODS	100.7	102.1	104.1	104.4	105.0	5.1	4.5	2.2	1.3	93.6	98.4	102.8	105.1	106.5
29. NONDURABLE GOODS	40.8	41.3	40.9	41.0	40.9	0.8	4.4	1.2	3.4	39.0	39.3	41.0	41.5	42.9
30. RETAIL TRADE	272.7	268.7	268.4	265.8	264.8	4.4	2.5	-0.4	2.8	251.5	262.4	268.9	267.8	275.3
31. FINANCE, INSUR & RL EST	105.5	104.9	104.6	105.0	105.5	3.9	2.0	0.8	1.3	99.1	102.9	105.0	105.9	107.3
32. FINANCE	41.6	41.4	41.0	40.8	40.7	0.4	1.2	-1.2	0.2	40.5	40.7	41.2	40.7	40.8
33. INSURANCE	37.3	37.3	37.6	38.0	38.4	6.0	2.4	3.1	2.8	34.6	36.7	37.5	38.7	39.8
34. REAL ESTATE	26.6	26.2	26.0	26.2	26.4	6.8	2.8	0.9	0.8	23.9	25.6	26.3	26.5	26.7
35. SERVICES	348.3	349.1	352.8	357.3	358.8	4.6	4.9	4.7	4.1	320.7	335.4	351.9	368.5	383.5
36. HOTELS & OTHER LODGING	23.9	23.6	23.6	24.0	24.1	0.4	0.9	2.3	2.1	23.5	23.6	23.8	24.3	24.8
37. BUSINESS SERVICES	109.1	109.0	110.4	112.2	113.4	6.4	6.1	6.4	5.4	97.7	103.9	110.2	117.2	123.5
38. HEALTH SERVICES	64.6	65.9	66.6	67.3	67.5	6.1	6.1	6.5	5.3	58.8	62.3	66.1	70.4	74.1
39. GOVERNMENT	208.9	208.1	208.7	209.6	210.2	4.2	3.1	2.4	2.0	194.5	202.6	208.8	213.9	218.1
40. FEDERAL GOVERNMENT	45.0	44.7	43.9	44.0	44.1	3.7	1.8	-0.9	-1.4	42.0	43.6	44.4	44.0	43.4
41. DEFENSE	6.0	5.9	6.0	6.0	6.1	-3.6	0.0	0.4	-6.7	6.2	6.0	6.0	6.0	5.6
42. OTHER FEDERAL	39.0	38.8	38.0	37.9	38.0	5.0	2.1	-1.1	-0.5	35.8	37.6	38.4	38.0	37.8
43. STATE & LOCAL GOVERNMENT	163.9	163.4	164.7	165.6	166.2	4.3	3.4	3.3	2.8	152.5	159.0	164.4	169.9	174.7
44. STATE GOVERNMENT	41.9	41.3	42.0	43.1	43.1	4.1	4.0	4.1	3.2	38.9	40.5	42.1	43.8	45.2
45. STATE EDUCATION	14.3	13.6	14.2	14.5	14.3	3.2	2.8	2.6	2.1	13.3	13.7	14.1	14.5	14.8
46. OTHER STATE GOVT	27.6	27.7	27.9	28.6	28.8	4.6	4.6	4.8	3.8	25.6	26.7	28.0	29.3	30.4
47. LOCAL GOVERNMENT	122.0	122.2	122.7	122.5	123.0	4.3	3.2	3.1	2.7	113.6	118.5	122.3	126.1	129.5
48. LOCAL EDUCATION	59.0	59.1	59.3	58.4	58.7	2.3	1.2	2.5	2.0	56.9	58.2	59.0	60.4	61.6
49. OTHER LOCAL GOVT	63.0	63.1	63.4	64.1	64.3	6.4	5.1	3.6	3.3	56.7	60.3	63.4	65.7	67.9
50. TOTAL NONAG. PAYROLL	1444.4	1433.7	1443.4	1449.6	1454.4	3.0	1.8	1.8	2.3	1376.7	1417.5	1442.8	1469.4	1503.4
51. CIVILIAN UNEMPL. RATE	4.9	5.4	5.2	5.2	4.5					4.7	5.2	5.2	5.2	4.8

Source : Data (in 1000's) seasonally adjusted by Forecasting Center.
DEC(P) is seasonally adjusted preliminary December employment. 1990 (F), and 1991(F) are forecasted values.

Table 4

Atlanta Personal Income for 1985-87 with Forecasts through 1991

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1989

Description	Annual Average							Annual Percentage Change					
Annual Personal Income	1985	1986	1987	1988(E)	1989(F)	1990(F)	1991(F)	86/85	87/86	88/87(E)	89/88(F)	90/89(F)	91/90(F)
By Place of Residence													
1. Total Personal Income	38186	41984	45943	49523	53558	57458	61927	9.9	9.4	7.8	8.1	7.3	7.8
2. Nonfarm Personal Income	38070	41828	45811	49373	53390	57287	61757	9.9	9.5	7.8	8.1	7.3	7.8
3. Farm Personal Income	116	156	132	150	168	171	170	34.9	-15.4	13.5	12.0	1.8	-0.6
Derivation of Income													
4. Total Earnings	32180	35694	39201	42023	44700	47627	50989	10.9	9.8	7.2	6.4	6.5	7.1
5. less: SSI Contribution	1850	2081	2263	2523	2736	3043	3302	12.5	8.7	11.5	8.4	11.2	8.5
6. plus: Residence Adj	-866	-1034	-1119	-1099	-1103	-1035	-1053	19.3	8.2	-1.7	0.4	-6.2	1.7
7. equals: Net Earnings	29463	32579	35819	38401	40861	43549	46634	10.6	9.9	7.2	6.4	6.6	7.1
8. plus: Div, Int, Rent	5218	5641	6092	6731	7863	8625	9539	8.1	8.0	10.5	16.8	9.7	10.6
9. plus: Transfer Paymnts	3505	3764	4032	4391	4834	5284	5754	7.4	7.1	8.9	10.1	9.3	8.9
By Place of Work													
10. Components of Earnings													
11. Wages and Salaries	27223	30075	33099	35481	37762	40457	43471	10.5	10.1	7.2	6.4	7.1	7.4
12. Other Labor Income	2529	2800	3052	3266	3514	3672	3852	10.7	9.0	7.0	7.6	4.5	4.9
13. Proprietors Income	2428	2818	3050	3276	3424	3498	3666	16.1	8.2	7.4	4.5	2.2	4.8
14. Farm	106	147	122	149	156	158	156	38.3	-16.6	21.7	4.7	1.3	-1.3
15. Nonfarm	2322	2671	2928	3127	3268	3340	3510	15.1	9.6	6.8	4.5	2.2	5.1
Earnings By Industry													
16. Farm	116	156	132	150	168	171	170	34.9	-15.4	13.5	12.0	1.8	-0.6
17. Nonfarm	32064	35537	39069	41873	44532	47456	50819	10.8	9.9	7.2	6.4	6.6	7.1
18. Private	28094	31247	34325	36713	38820	41357	44358	11.2	9.9	7.0	5.7	6.5	7.3
19. Ag Svc, Fish, Etc	103	114	123	132	130	132	133	10.3	7.9	7.4	-1.5	1.5	0.8
20. Mining	86	45	67	68	68	67	71	-48.0	49.2	1.5	0.0	-1.5	6.0
21. Construction	2212	2529	2669	2698	2661	2754	2859	14.4	5.5	1.1	-1.4	3.5	3.8
22. Manufacturing	4822	5311	5639	5686	5729	5961	6287	10.1	6.2	0.8	0.8	4.0	5.5
23. Nondurable Goods	2005	2236	2414	2496	2611	2752	2902	11.5	7.9	3.4	4.6	5.4	5.5
24. Durable Goods	2817	3075	3225	3190	3118	3209	3385	9.2	4.9	-1.1	-2.3	2.9	5.5
25. Trans and Pub Utils	3784	4060	4510	4803	4966	5279	5628	7.3	11.1	6.5	3.4	6.3	6.6
26. Wholesale Trade	4320	4585	4921	5413	5906	6284	6692	6.1	7.3	10.0	9.1	6.4	6.5
27. Retail Trade	3407	3683	4035	4305	4456	4585	4897	8.1	9.6	6.7	3.5	2.9	6.8
28. Fin, Ins, and RE	2555	3005	3344	3662	3834	4041	4275	17.6	11.3	9.5	4.7	5.4	5.8
29. Services	6805	7914	9017	9946	11070	12254	13516	16.3	13.9	10.3	11.3	10.7	10.3
30. Gvt and Gvt Entprs	3970	4291	4744	5160	5712	6099	6461	8.1	10.6	8.8	10.7	6.8	5.9
31. Federal, Civilian	1106	1123	1216	1358	1479	1540	1600	1.5	8.3	11.7	8.9	4.1	3.9
32. Military	236	260	277	283	282	276	265	10.1	6.6	2.3	-0.4	-2.1	-4.0
33. State and Local	2628	2909	3252	3519	3951	4283	4596	10.7	11.8	8.2	12.3	8.4	7.3
34. % of GA Nonfarm	47.0	51.5	51.8	51.7	51.5	51.8	52.0						
35. Population	2469	2569	2656	2737	2802	2865	2924	4.1	3.4	3.0	2.4	2.2	2.1

Source : Bureau of Economic Analysis
1989(F), 1990(F) and 1991(F) are forecasted values. 1988(E) are estimated values.

TABLE 5

METRO ATLANTA HOUSING PERMITS
FOR 1987 THROUGH 1989 WITH FORECASTS THROUGH 1991

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1990

COUNTY	I89		II89		III89		IV89		1987		1988		1989		1990(F)		1991(F)	
	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI
BARROW	50	0	65	48	70	0	44	0	140	0	253	10	229	48	245	40	255	40
BUTTS	32	0	29	0	28	0	14	0	96	0	128	6	103	0	80	0	85	0
CHEROKEE	374	0	317	12	302	2	261	3	1869	94	1700	43	1254	17	1050	20	1020	30
CLAYTON	315	163	237	503	301	237	260	296	1458	1834	1475	1319	1113	1199	1110	820	1070	700
COBB	910	583	645	42	833	716	612	30	5747	2969	4231	1567	3000	1371	2760	1050	2620	920
COWETA	242	48	204	0	204	63	197	120	825	0	873	53	847	231	850	220	860	200
DEKALB	592	502	590	467	632	1446	467	238	2820	2363	2940	4589	2281	2653	2150	2150	1990	1820
DOUGLAS	177	632	133	1	135	7	106	264	1048	303	895	647	551	904	580	650	600	610
FAYETTE	293	126	233	40	242	0	187	202	767	0	1221	7	955	368	770	375	740	300
FORSYTH	20[illegible]	2	218	5	170	0	159	0	731	6	826	4	748	7	640	10	650	20
FULTON	903	265	839	1336	692	507	699	1714	3949	2917	3961	4978	3133	3822	2460	3100	2350	2710
GWINNETT	1204	248	982	27	968	149	800	13	5496	525	4551	1238	3954	437	3900	400	3720	450
HENRY	353	148	239	24	268	10	223	28	1442	134	1412	151	1083	210	920	150	950	180
NEWTON	181	16	121	0	109	80	123	98	513	0	449	80	534	194	590	220	610	230
PAULDING	150	0	192	0	168	0	179	80	1110	0	893	2	689	80	720	40	750	60
ROCKDALE	165	0	170	0	144	1	88	0	1002	54	743	116	567	1	485	10	510	20
SPALDING	93	31	75	0	82	1	62	4	635	24	321	304	312	36	300	20	320	20
WALTON	122	16	143	0	115	10	110	8	482	0	562	74	490	34	480	40	520	80
TOTAL: SINGLE & MULTI	6357	2780	5432	2505	5463	3229	4591	3098	30130	11223	27434	15188	21843	11612	20090	9315	19620	8390
% CHANGE FROM PREVIOUS QUARTER/YEAR	-19.8	-23.2	-30.7	-40.5	-20.4	16.3	-4.3	-32.3	-0.6	-40.7	-8.9	35.3	-20.4	-23.5	-8.0	-19.8	-2.3	-9.9
TOTAL PERMITS (SINGLE + MULTI)	9137		7937		8692		7689		41353		42622		33455		29405		28010	
% CHANGE IN TOTAL (SINGLE + MULTI)	-20.9		-34.2		-9.9		-18.0		-16.6		3.1		-21.5		-12.1		-4.7	
ESTIMATED POTENTIAL ABSORPTION (000)									42.5		38.9		30.8		29.8		27.8	

Source : Homebuilders Association of Metro Atlanta
1990 (F) and 1991(F) are forecasted values
1986-1987 % changes are calculated on a 15-county basis.

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FORECAST OF GEORGIA & ATLANTA

V1880-2

1990-1991

FIVE-YEAR FORECAST OF GEORGIA

GEORGIA STATE UNIVERSITY
COLLEGE OF BUSINESS ADMINISTRATION

May 1990

Dr. Donald Ratajczak, Director

ECONOMIC FORECASTING CENTER

SERVICES ARE PROVIDING A LITTLE BOUNCE TO GEORGIA ECONOMY

Dr. Donald Ratajczak
Director
Economic Forecasting Center

SUMMARY

Last year was not good for the Georgia economy. Per capita income trailed national averages for the first time in the 1980s. At 1.5%, population gains also were the slowest of the decade. Taxable sales rose only 1.6%, or nearly 3 percentage points less than inflation. And Georgia's gross state product rose only 2.5% according to our indicators. (National GNP was up 3.0% by contrast). Although Georgia's employment slowly recovered from its second quarter slump, the 2.3% employment gains were the slowest since the 1982 recession year.

The weakness in manufacturing and construction that led to such poor gains continues. Indeed, previously strong carpet production is now falling. Also, jobs are vanishing in the communications, finance, and defense sectors of the Georgia economy. Fortunately, a surge in service employment, some recovery in retail activity, and continued growth in government payrolls unrelated to defense should provide 86,700 new jobs during 1990 or a gain of 2.8%. This suggests that gross state product will be accelerating to a gain of 3% in 1990 even as GNP is slowing to only a 2.1% increase. While state revenues remain sluggish, especially after the food exemption is added to the sales tax in September, the 5.0% gain projected for revenues is tantalizingly close to the 5.1% needed to meet the state budget. Revenues should expand an additional 8% in 1991, although gross state product probably will slow to only a 2.5% gain in that year.

Despite further weakness in the textile and apparel industries during 1991, manufacturing in Georgia should increase slightly that year with the aid of substantial gains in machinery, metals, and chemical activity. Construction still should remain sluggish and retail activity should show less growth in 1991 than in 1990. Indeed, the real estate and defense slumps should continue. Nevertheless, enough jobs will be created to gradually reduce the unemployment rate in the state to 5.3% by 1991.

Because of the loss of high wage jobs in 1990, personal income should increase only 7.5%, or slightly less than the 7.6% reported for 1989. A modest rebound in income gains is expected for 1991. Although these projections remain less than robust, data revisions showed greater increases in employment gains for Georgia than originally projected. Also, taxable sales began trending upward during the important Christmas season. Although another quarter of weakness is possible during the summer as an auto assembly plant closes in Atlanta and as the textile and apparel industries continue their consolidation, enough momentum currently exists in the service sector to suggest that the mini-recession that struck Georgia during the spring of 1989 is now gone and another one is not expected to arrive soon.

DATA REVISIONS

Although 1989 was not a good year for the Georgia economy, employment gains were better than originally reported. For the entire year, the employment revisions appear to be minor. Total payrolls were revised upward by only 6,200. However, the service economy was understated by 14,300, while retail trade employment was overstated by 9,800. Construction was understated by 3,200 while manufacturing was also understated by nearly four thousand. Within manufacturing, the paper industry created 1,400 more jobs

than reported while the printing industry lost jobs, and was overstated by 1,800. Nonelectrical machinery was understated by 1,800. More significantly, the rapid growth in machinery employment was not captured in any of the preliminary estimates.

More important than the minor adjustments on an annual basis were the substantial understatements for the fourth quarter versus previous information. The service economy grew 20,000 more by the fourth quarter than originally expected, while retail trade was stronger by more than 10,000 jobs. The year-end totals were 36,000 higher than reported in preliminary data. Thus, the Georgia economy had substantially more momentum at the end of the year than was reported by preliminary employment data. As a result, the sluggish pattern of economic expansion was removed after the second quarter by these employment revisions.

RECENT CONDITIONS

A mild winter aided construction and retail activity in Georgia. Although manufacturing continued to contract, especially in the construction materials and transportation equipment industries, strength in nonmanufacturing led to a 6.4% annualized rate of increase in payroll employment. In the U.S., by comparison, payrolls expanded at a 3.0% annualized rate during the mild winter. Census employees also aided the gains in federal government. The growth in retail, government, and construction payrolls are not sustainable and will be reversed or slowed in subsequent quarters. However, the strong growth in the service sector, including hotels, business services and health services, should continue.

During the fourth quarter, Georgia's personal income grew 2.4% or slightly faster than nationally. Although farm income in Georgia increased 27.1%, gains were even stronger elsewhere, but nonfarm income was stronger in Georgia than nationwide. Income gains were strongest in construction and services, both of which expanded faster than in the United States. Also growing faster than in the United States, were nondurable earnings, property income, and transfer payments. The only sectors slowing relative to the nation were retail earnings and earnings in the finance group.

Better than national performance should be expected in nonfarm personal income during the first quarter as a result of the strong gains in payroll employment. However, the coincident indicators turned soft during the quarter, suggesting that activity will be less robust during the spring. Most of the weakness was in corporate tax accruals. Such profits weakness could lead to layoffs and rising unemployment ahead. Also, the insured unemployment rate already began rising after seasonal adjustment. By March, the Georgia economy was only 1.2% above previous year levels according to our indicators. State revenues grew and the important index of hours worked continued to advance. During the last year, hours worked have increased 2.5%, or about the same as gross state product. This suggests that little productivity gains have been achieved in Georgia. This poor productivity performance could explain why Georgia corporations are not gaining any earnings at the present time.

Unfortunately, the leading indicators also have turned soft. Five of the six indicators were down in March, suggesting sluggish economic growth during the spring. Only non-residential construction contracts show any strength, and those gains probably will not be sustained. However, the shortness of the workweek may be caused by seasonal distortions. Also, the sales tax performance could be inappropriately adjusted for the change in Easter. Thus, another month's worth of data will be necessary to determine whether the March softness truly means troubled times ahead for the Georgia economy. At least, the ratio of the indices are in balance. This means that whatever sluggishness currently is developing should not intensify in the quarters ahead. A sluggish spring appears to be developing, but no recesssion is yet signalled by these indicators.

Even with a spurt in nonmanufacturing jobs during the winter, manufacturing remained sluggish in Georgia. Construction materials industries weakened while layoffs in auto assembly plants and at Lockheed continued to shrink the transportation equipment sector. The permanent idling of Lakewood in August and further trimming of Lockheed personnel will eliminate another 3000 jobs from that sector by the end of summer. Hopefully, that will constitute the bottom of that sector's performance. After five years of growth, the carpet industry began retrenching, while apparel continued to slowly drift away.

Offsetting those weak areas were substantial gains in electronic machinery, continued growth in machinery, a rebound in the paper industry, and continued gains in printing and food processing. A spurt also developed in the chemicals industry, while new rubber processing possibilities in Albany could cause other nondurables to rebound.

Transportation services continues to benefit from the rebuilding of Eastern and the expansion of international flights at Hartsfield. Eastern currently has more flights at Hartsfield than before its bankruptcy proceedings, but the airline continues to draw upon cash from asset sales to operate its flights. Assuming Eastern remains viable, transportation services still will slow because of continued turmoil in trucking, where two major companies have ceased operations in Georgia in recent months.

Current weakness in communications is associated with consolidations in the Contel and Telecor companies that are housed in Atlanta. The MCI buyout of Telecor is assumed to have little impact upon employment opportunities here. However, the ATT consolidations will add more the 2500 employees to the Atlanta area in the next eighteen months. Thus, the TCU sector should perform well during the next two years.

The consolidation in retail activity is well under way, although several of the Campeau stores remain under risk. The state experienced no real gains in taxable sales, therefore, even the 2% increase in retail employment is slightly redundant. However, sales improved by the end of the year, and some growth is projected for this year. On the other hand, the strong growth in wholesale activity probably must slow. During the fourth quarter, wage earnings in wholesale exceeded earnings in retail for the first time. Thus, consolidation in 1990 may be more at the wholesale than the retail level.

Both the brokerage and banking portions of the financial sector currently are struggling. Regulators have demanded greater prudence in booking loans, leading to slow loan expansion and some shrinkage of capital. As a result, bank profitability has suffered and their abilities to grow have been impaired. For those reasons, some decline in financial employment is expected this year before modest growth resumes next year. Changes in classification also added to the finance group at the expense of the real estate group. This generates a break in the series for those two classifications in 1987. With fewer properties being sold, the real estate group is subject to some moderate shrinkage in the next year. Throughout this turmoil in the finance and real estate sectors, the insurance group has continued to perform without any serious obstructions. Modest growth should continue there.

Reclassifications also impacted the services sector, as business services has been reduced and other services have been increased in relative importance. As in the finance sector, this change has little influence upon the totals for the entire service sector. All the services are growing at a brisk pace, led by business services. Some slowing in the leasing of labor may develop as the economy slows, causing a serious slowing the in business service category. Also, hotel activity should slow as developers are finding difficulty in financing their latest projects.

Government employment gains also should slow, although they continued to expand rapidly early in 1990. Defense activity certainly will shrink in Georgia. By 1991, civilian defense employment should decline 5%. Our five year projections of military payrolls shows no growth in dollar terms, suggesting nearly a 5% per year decline in military presence in Georgia during the next five years. Tight federal budgets also suggest that other government personnel will not be growing either. Tight state budgets will slow the growth of state employees, who growth rates probably were unwarranted during the past two years. Education is

expected to remain a priority item however. On balance, government will be added to employment growth in 1990 because of previous commitments especially at state and local governments. In 1991, government employment will be more in line with total employment gains, as a tight budget and defense cutbacks remove government as an engine of economic growth.

For the year taxable sales rose and anemic 1.6%, although a Christmas rebound put that quarter 3.3% above previous year levels. Even with an assumed more than 8% gain in service expenditures, consumption in the state grew only 5%. Disposable income almost expanded more than 2.5 percentage points more than that. Thus, Georgia households were nervous about the economy and increased their savings. This also explains why property income continued to grow more rapidly than in the nation even though Georgia's share of property income is only 83% of the nation's. If taxable sales rebound to the 6.2% or 6.3% gains of the two previous years, retail employment can be sustained with gains of slightly more than 3%. However, the 2% growth in retail employment during 1989 were greeted by no change in retail volumes. On a same store basis, real activity fell nearly 4% in Georgia. Thus, some further modest retrenchment remains possible.

Some of the sluggish manufacturing activity is beginning to be reflected in the insured unemployment rate. In Georgia, insured unemployment has surged to 1.6% from only 1.1% in December. The Atlanta rate has also inched upon from 1.2% to 1.4%. While these still remain below the national rate, which also inched up from 2.2% to 2.4%, they suggest some problems developing in the labor markets. Further increases are possible as the auto assembly plants ease in the summer. As expected, the minor discrepancies between the payroll and household estimates of employment led to only small revisions in the annual estimates of payroll employment. However, a gap already is developing between the household and payroll estimates for the new year. In March, payrolls were 95.9 thousand above previous year levels while household estimates were only 62.3 thousand. This might suggest that payroll estimates are overstating strength in Georgia's labor markets at the current time. Because of a sharp slowing the labor force and some gains in employment, the Georgia unemployment rate has fallen 0.6 percentage points to 4.7% from last year. By contrast, the U.S. rate is up 0.2 percentage points to 5.4%. Georgia' labor force growth, at 1.5% is slightly better than the 1.3% recorded nationwide.

At this time, the only MSA with unemployment rates higher than nationwide is Albany, where a falling labor force has allowed the unemployment rate to fall from 6.7% to 6.1% during the past year. A falling labor force also more than offset declining employment in Columbus to preserve its unemployment rate at 5.2%. Macon also had little change in its 4.6% unemployment rate during the past year, although the labor force grew by the same 0.8% as employment according to the household surveys. Savannah experienced strong employment growth to more than offset a 1.9% gain in the labor force and lower its unemployment rate to 4.4%. Slow labor force growth (1.7%) enabled Atlanta to lower its unemployment rate to 4.3%, as employment grew as fast as in Savannah. Athens continued to experience balance between its labor force and job growth in preserving its 3.9% unemployment rate. However, the lowest unemployment rate of any metro area was in Augusta, where nearly 2% employment growth was accomplished with no change in the labor force. As a result, unemployment plunged to 3.7%. Because of an apparent slowing of population migration, unemployment has fallen below the nation and labor markets are beginning to tighten perceptibly in the Georgia metro areas.

A discrepancy between the household and payroll estimates of employment in Augusta were rectified in favor or the household's higher employment gains. As a result, the Augusta economy has not been as sluggish as earlier stated, although population flows appear to remain weak. More than 20% of the employment gains during the past year are in construction, which clearly cannot be sustained. The gains in apparel manufacturing also may not continue. On the other hand, the strong expansion in services may remain, while a rebound to 6.3% gains in taxable sales suggest that most of the gains in retail trade are justified. If population is growing as slowly as implied by labor force changes, the 38% increase in housing permits and the 32% gain in construction contracts during 1989 are excessive. Otherwise, the Augusta economy appears to be based on solid economic foundations.

The household estimates show a slight loss in Columbus employment, while the payrolls show small gains. Perhaps the Columbus economy is weaker than the current weak picture, which shows that textiles again are slumping. This is also creating weakness in construction, transportation services, and financial services. Only retail, private services, and local government are preventing an employment slump. Some diversification of manufacturing has helped, as durable payrolls are up. However, even with a rebound in Chattahoochee county, taxable sales grew only 1% during the Christmas season. This will not continue to support a 2.5% gain in retail employment. Housing permits were off to 800 last year despite an apartment complex late in the year. Further reductions in housing activity appear appropriate for this year.

After revisions, the payroll estimates for Macon are now stronger than the household estimates. (Will another revision, this time downward, be required next year?) Although paper employment continues to expand, this is offset by textile and apparel declines. Construction gains are 16% of total job increases and must come down. Transportation and private services is where most of the remaining growth is. Taxable sales rebounded by 4.5% during Christmas, indicating that current moderate growth in retail activity is appropriate. The housing market also appears to be approaching balance, with 1300 permits last year. But where are all those construction workers, and what are they doing?

Both the household and payroll employment statistics agree that Savannah's economy no longer is sleepy. Of course, construction accounts for more than a fourth of the additional jobs, a clearly unsustainable rate. In manufacturing, weakness in lumber and transportation equipment is being offset by gains in paper and chemicals. Retail trade is up 3%, the finance sector is rebounding, and services are strong. The government sector remains modest, accounting for only 10% of the additional jobs. Taxable sales certainly show no strength, with gains of only 2.3%, suggesting the retail activity cannot be sustained. However, the housing sector remains appropriately sluggish with only 780 permits in 1989. Some population growth suggests that a modest increase in housing is justified. Apparently, some of the construction workers are retrofitting Union Camp while others are build new offices. They are ahead of need, indicating that some correction in commercial real estate is possible. Nevertheless, some action is taking place in sleepy Savannah.

Our analysis of Albany and Athens are not as complete as the other metro areas. However, payrolls are growing while household employment estimates are declining in Albany, suggesting some further downward adjustments are possible in Albany's employment next year. Construction, wholesale trade, and federal government employment are off while food processing, services, and state and local government are up. Government appears to be growing too fast for the economy. With taxable sales up 3.5% in Dougherty county, retail in Albany appears to be appropriate. Except for government, the city appears to be in balance, but needs to generate some momentum, perhaps through a rebound in rubber processing, to re-establish growth.

Payroll estimates of Athens' growth are stronger than the household surveys. However, gains appear to be reasonably balanced. The nearly 4% gain in retail employment does not appear to be justified by the 2% growth in taxable sales in Clarke county. Also, about 25% of the employment gain during the past year has been in government. Food processing has increased sharply, but that has been offset by weakness in textile and apparel. In the absence of new industry, some slowing in construction, retail , and government is in order for Athens.

Rising mortgage rates have added to slowing population in restraining housing activity. Of course, mild weather during the winter provided greater strength than can be sustained, as housing should slump in virtually all sectors of Georgia during 1990. U.S. effective mortgage rates are now 12 basis points above previous year levels and housing prices have slowed to a gain of only $1100 or 0.8%. Money market accounts were a better investment last year. For Atlanta the effective mortgage rate remained slightly below last year and was 16 basis points below the national rate. Because lower priced homes were being squeezed out of the financing, the average purchase price of an Atlanta home was $172.1 thousand, up $18,400 from the previous year. Thus, housing remained a good investment in Atlanta, if you could sell.

Corporate taxes turned negative, causing total revenues to grow only 10.8% for the quarter. This compares to gains of 16.1%, 15.15, 12.5%, 13.3%, and 6.4% in previous quarters. With one quarter to go, collections are 13.9% above the previous year. They should average 13% for the year, but that is less than was distributed by the governor. After exempting food from sales tax next September, collections should fall to only 5%, slightly less than the 5.1% estimated for the budget. But the legislature will be facing a $50 million shortfall for this fiscal year. Revenues are projected to grow 8% during the subsequent fiscal year.

Sales tax collections held to most of their Christmas gains during the first quarter, increasing 36.1%. Even without Easter, they were up 37.5% for March. This compares to gains of 37.7%, 30.9%, 21.8%, 3.7%, and 4.6% in previous quarters. Of course, all state and local governments did not have tax rate increases. Their gains were 6.9%, up slightly from 6.8% during the previous quarter. This is consistent with gains of 7.0%, 6.5%, 6.7%, and 7.0% in previous quarters. Personal income continued to do poorly, growing only 3.3% for the quarter (but 5.6% in March). This compares with gains of 7.1%, 8.2%, 18.9%, 17.4% and 11.5% in previous quarters. The slump in corporate earnings finally hit Georgia, with declines of 25.0% in accruals for the quarter (but a smaller 11.2% in March). In the fall, accruals were off 0.9%, following a gain of 0.3% in the summer and a plunge of 13.9% in the spring. All state and local governments should experience a plunge of 13.5% in corporate earnings, a smaller decline than the 21.5% in the previous quarter. Collections also fell 16.1% and 5.6% in earlier quarters. For the first time since the 1970s, none of the Georgia revenue sectors were doing better than the national average after adjustment for tax rate changes. Thus, the sluggish Georgia economy is readily apparent in its tax collections.

SUMMARY OF OUTLOOK

Anyone looking for bad news in the Georgia outlook clearly can find it. The state budget continues to receive inadequate revenues despite a substantial sales tax increase last year. Some slowing in government employment gains seems inevitable. Virtually all metropolitan areas have been building houses faster than new customers can occupy them. Further commercial and industrial expansion is not warranted by a negligible growth in retail activity that clearly developed last year. Several major manufacturers, such as Lockheed, GM, and Gulfstream are reducing their employment and the banks are cutting jobs even as they are reducing the availability of loans. Adding to the uncertainty is the closing or reduction of defense bases in the state. If that is not enough to cause Georgia consumers to pause, uncertainty about the future of the Campeau owned stores, the Hooker properties, and the success of Eastern at Hartsfield should keep their hands in their pockets. Indeed, Georgia consumers did just that last year, with taxable sales up only 1.6% and savings rates rising more than 2.5 percentage points according to our estimates.

Fortunately, another side of the story exists. Georgia consumers showed some inclination to spend during the Christmas season, and their savings is now adequate to justify further expansion of purchases during this year. Offsetting the weakness in transportation equipment, apparel and textiles, and the beginning of a carpeting slump, is strength in metals, machinery, paper, printing and chemicals. Manufacturing employment probably will fall further in 1990 with Lockheed layoffs, and Lakewood's idling, but that appears to be the end of the slide.

Although consolidation has hurt some Georgia companies, especially in the textile and apparel areas, consolidation of the communications sector may be a gain to Georgia. ATT will be moving more than 2500 new employees to the area, while Delta will be consolidating reservation services that it owns jointly with TWA. Following no real growth in 1989, taxable sales should increase sufficiently to justify modest gains in retail activity during 1990 and 1991. Some correction may be necessary in wholesale activity, which generates more earnings than retail activity at this time, but growth in the distributive industries seems assured.

Banks and brokerage houses continue to restructure, but the damage left by stringent auditor criteria has been less than in other regions. Although retailing remains sluggish, and could fall slightly next year, insurance continues to show growth potential.

Hotels continue to expand rapidly. The Georgia Dome and the increased internationalization of air transportation is aiding hotel development. Assuming further expansion of the Georgia World Congress Center next year, further development of hotel space may occur, despite a low 62 percent occupancy rate for hotels at the present time. Growth in business and medical services remains undiminished.

The government sector is vulnerable to some slowing. First, defense almost certainly will shrink. Second, tight federal budgets probably will not allow further growth here, although the Resolution Trust Corporation is still expanding its activity from Atlanta as its regional hub. Budget restraints should slow the growth of state and local governments, but they do not need to grow faster than the economy anyway.

Following revisions, Georgia created 67,400 new jobs in 1989, but job gains were running in excess of 95,000 by March. Therefore, a projection of 81,700 jobs for 1990 is conservative. An additional 74,900 jobs is expected in 1991 as slowing in the national economy prevents the state from building on to its rebounding 1990 performance.

After trailing U.S. performances all year, Georgia again outstripped the nation in income growth during the fourth quarter. Our indicators suggest another year of better than U.S. performance is in store for 1990 and 1991 if only barely. Farm income is expected to generate mild gains during the next two years in the absence of any serious growing problems. Soil moisture has been replenished by the winter floods. Durable goods will continue to drag down incomes this year, but only the military will not be contributing to Georgia's gains in 1991. Thus, income growth should be 7.5% this year, very similar to the 7.6% recorded last year, before rebounding to an 8% gain in 1991.

Population growth could continue to slow next year, but the drop in unemployment that is developing as employment gains outstrip growth in the labor force is expected to cause a rebound in migration so population will grow 1.5% in 1991. The mini-recession that gripped Georgia early in 1989 appears to be over.

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RECENT CONDITIONS AND OUTLOOK

Although the second shift at Doraville was placed on indefinite layoff in January, the idling of Lakewood has been postponed until August. As a result, durable manufacturing was stronger during the winter than it will be later in the year. Also, Lockheed will be laying off some more workers in order to make its operations cost competitive. Eventually, this adjustment may add jobs there, but the initial effect is to cause further job declines in the transportation equipment sector. Construction materials also have been declining rapidly, although further erosion appears to have stopped in the lumber and stone, clay areas. Offsetting some of this weakness has been considerable strength in the machinery industry and modest gains in the metals. Further gains are expected in both areas during 1991.

In nondurables, jobs have been declining in textiles, apparel, and paper. The paper industry should rebound later, but further losses are expected in those other sectors. Some gains in food processing, printing, and chemicals should allow some growth in nondurable manufacturing during the next two years. As a result, the erosion in manufacturing may be ending. No obvious growth vehicle is surfacing to replace the serious erosion that has been suffered by transportation equipment, but the weakness soon should cease.

A mild winter allowed construction to perform more favorably than it should or will during the next two years. According to Real Property Data, the Atlanta office market is 22% vacant. Moreover, of the 8.5 million sq. ft. under construction, 60% is vacant. While construction has picked up for commercial space, the absorption rates show no reason why it should. During the first quarter, 877,000 sq. ft. were absorbed. In class B space, more space became available than was occupied, creating serious supply problems at that end of the market. The only markets with less than 20% vacant are I-85 inside the perimeter, Decatur, Northlake, and the small Alpharetta market. The airport and I-75 from Cumberland north appear to have the highest vacancy rates.

According to Coldwell Banker, vacancy rates in Atlanta have risen to 19.7%, just below the 20% recorded nationwide. Suburban space is where most of the increase has occurred, as Atlanta was the city with the third highest completion of suburban space, at 4.3 million sq. ft. last year. Downtown vacancies actually fell slightly to 13.4% while they remained unchanged at 16.7% for the nation. Given the magnitude of activity and the slow absorption rate, Atlanta probably will exceed its historic high vacancy rate of 20.2% that occurred in March 1987 before the end of this year.

Coldwell Banker also shows Atlanta's industrial space above the national average at 6.8% for projects of more than 100,000 sq. ft. At 6.8%, Atlanta has been constructing industrial space faster than it can absorb it. However, Real Property Data show only 1.375 million sq. ft. currently under construction. With first quarter absorption at 1.744 million sq. ft., the 13.1% vacancy recorded by Real Property Data soon should fall. Nevertheless, too much industrial space also exists in Atlanta at this time.

Construction in the retail market already is slowing sharply. With 2.89 million sq. ft. under construction little change is expected in the 13% vacant rate anytime soon. However, first quarter absorption rates was an anemic 257,000 sq. ft. Although leases were in excess of 1.2 million sq. ft., most of the change was from one site to another. Aside from the central business district, where retail vacancy is 31%, most of the high vacancy rates are in the far suburbs or College Park.

Because of large projects in Fulton, housing permits were stronger this first quarter than a year ago. In addition to Fulton, only Barrow and Paulding had more permits for single family units than a year ago. Large declines were in Clayton (30%), Gwinnett (22%), Newton (29%), and Douglas (23%). Fulton also led with several very large multi-family projects. Dekalb also showed substantial activity, although less than last year. Because mortgage rates have increased, housing activity could fall below potential absorption rates, which are based upon normal household formations, abandonments, and removals. If so, substantially less housing may develop than currently projected despite the strong gains during the first quarter.

These overbuilt conditions will restrain construction activity during the next two years. Therefore, the strong employment gains during the first quarter will be replaced by modest declines before the second half of this year. Further modest declines in construction activity are expected next year.

One area of substantial strength will be in the transportation and communications sector. Eastern currently has more flights at Hartsfield than before it went into bankruptcy. Delta continues to expand its flights, while the expansion of the international terminal should lead to more foreign flights. Also, the Delta joint venture with TWA in reservations will be housed in Atlanta. Despite the bankruptcy and termination of services of two trucking companies, transportation services should continue to be a substantial source of job growth for Atlanta during the next two years.

Vying with Delta for the top spot in Atlanta employment will be ATT, which is planning to move 2500 additional workers to this area. Although the purchase of Atlanta based Telecor by MCI could lead to some job losses there, the presence of Contel along with ATT makes Atlanta a major communications employer.

Rapid growth of durable wholesale activity probably cannot be sustained in Atlanta. Furthermore, if taxable sales continued to expand at only 1.5%, as in 1989, even the current level of trade employment would be excessive. However, taxable sales began rebounding at Christmas to 3.6% above previous year levels. Just as in the state, Atlanta households have the capacity to spend, as they increased their savings rates by more than 2 percentage points during the year. However, they have been reluctant to spend because of economic uncertainties. As those problems subside, stronger sales should be forthcoming.

Fayette showed the strongest sales gains following a sharp drop during the summer. Other counties reversing summer sales declines were Douglas, Henry, Clayton, and Cherokee(although the gain was only 0.3% there). Sales continued to fall in Barrow, Gwinnett, and Paulding counties. Fulton, the largest sales county in Georgia, showed a healthy 5.6% gain in taxable sales. Most other counties showed only modest sales gains.

Retail trade in January was up 8.6% in the South Atlantic region as compared to 7.4% for the United States. Sales gains were strongest in the East South Central, but also exceeded the South Atlantic in the Mountain and Pacific regions. In Atlanta, sales showed a surprising drop of 1.4%. However, department store sales were up 7.5%, as compared to gains of only 5.2% for all department stores in the nation. Apparently, auto sales in Atlanta were surprisingly weak relative to the nation in that month as compared to the previous year. Despite this evidence, consumer spending in Atlanta should gradually strengthen this year. Gains of 6-7% are expected for taxable sales for the year. This would be consistent with the retail employment estimates currently projected. In fact, if sales maintain that rate next year, some further gains in retail activity would be justified.

Local banks have been frightened by the regulators. As a result, they are cutting costs in order to regain the capital that was charged off to possible loan losses. This is leading to a tight loan condition and to some job loss by attrition at the banks. Brokerage houses also are reducing their staffs, although the problem is excess capacity in New York. As a result, employment in financial services should fall this year before increasing modestly next year.

Real estate also will show little growth as the value of real estate transactions is expected to remain unchanged from last year. Some modest growth in the value of transactions then is expected in 1991. Fortunately, the insurance sector continues to show modest gains. No change in Atlanta's share of insurance activity is expected in this forecast.

Along with TCU, services will provide the jobs during the next two years. Hotels continue to expand as a 4% increase in rooms is expected over the next two years. More importantly, the 62% occupancy rate that prevailed in 1989 should increase to 65% before the end of 1991. As a result, modest growth in lodging employment is expected. Health services also are continuing to expand, as the share of health services

provided by Atlanta facilities such as Emory or Northside, continues to grow. Business services are not expected to sustain the rapid growth that occurred early this year. However, modest growth in those activities is expected during the next two years.

Federal government employment should fall as the Census build-up unwinds and as defense activity gradually fades. Some of the growth in state and local employment is questionable, especially the gains in state and local education. On the other hand, the gains in local government reflect increased safety personnel. However, no adjustments were made for possible reductions in competitiveness from the additional taxes needed to pay for those personnel. At some point, such costs will adversely impact development in the area, but not now.

The low estimated income growth in Atlanta during 1989 is caused by the substitution of low paying jobs for high paying activity. No similar transfer of jobs is expected in 1990. Therefore, income growth should be more vigorous than in the state.

After creating 30,800 jobs in 1989, Atlanta should generate an additional 42,600 jobs in 1990 and 44,300 jobs in 1991. If these gains seem large, they must be compared with the reported gains of more than 52 thousand jobs in the past twelve months. Thus, Atlanta already has created more jobs than currently projected, but some losses in transportation equipment and construction will temper those earlier gains. Although this acceleration of jobs will lower the unemployment rate, the improved employment conditions in Atlanta should again attract people from other regions. Thus, the slowing of population growth should end by 1991.

SUMMARY OF OUTLOOK

Atlanta still needs to absorb more bad news before the economy appears to have fully righted itself. The Lakewood plant will be closed, construction will slow, and financial institutions will continue to shrink. Also, the Campeau, Eastern, and Hooker bankruptcies all have created uncertainty. Some adverse changes still could occur at Rich's or at Eastern because of these events.

Nevertheless, strength in transportation, communications, and services should provide enough employment opportunities to overcome any further adverse conditions that might arise. Atlanta should again grow more rapidly than Georgia in 1990 and 1991, although strong growth rates are not likely any time soon. Atlanta appears to have survived the 1989 mini-recession without too much damage, except in its confidence. No other slowdown is on the horizon unless the national economy slows significantly. Such a slowing could develop toward the end of 1991, but should have limited impact upon a recovering Atlanta economy until 1992. Furthermore, such slowing is not certain. Therefore, a reasonably favorable outlook is seen for the Atlanta economy during the next two years.

Table 1

Georgia Wage & Salary Employment (Seasonally Adjusted) for 1987-89 with Forecasts through 1991

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1990

	Description	Quarterly Seasonalized Data II 89	III 89	IV 89	I 90	MAR(P)	Annual Percentage Change 88/87	89/88	90/89	91/90	Annual Average 1987	1988	1989	1990(F)	1991(F)
1.	MANUFACTURING	567.1	569.4	568.1	566.2	564.9	0.5	-1.1	-0.9	0.5	571.2	574.3	568.1	563.0	565.7
2.	DURABLE GOODS	218.4	220.6	218.8	216.6	217.9	0.9	-2.5	-1.6	1.3	223.0	225.1	219.4	216.0	218.9
3.	LUMBER AND WOOD	32.9	32.2	32.1	31.4	31.1	1.9	-5.5	-4.9	-0.3	33.9	34.6	32.7	31.1	31.0
4.	FURNITURE AND FIXTURES	11.2	11.0	10.7	10.7	10.7	-5.7	-1.7	-3.1	0.0	11.9	11.2	11.0	10.7	10.7
5.	STONE, CLAY, AND GLASS	19.4	19.2	19.2	18.6	18.5	-2.1	-5.9	-4.5	-0.5	21.0	20.6	19.4	18.5	18.4
6.	PRIMARY METAL INDUSTRY	15.2	15.2	15.2	15.4	15.2	-2.9	-2.0	1.3	0.6	16.0	15.5	15.2	15.4	15.5
7.	FABRICATED METAL	21.4	21.6	22.1	22.3	22.3	1.7	2.8	3.8	2.7	20.6	21.0	21.6	22.4	23.0
8.	MACHINERY EXC ELECTRIC	28.4	28.9	29.4	29.7	29.4	4.1	7.0	4.5	3.7	25.8	26.8	28.7	30.0	31.1
9.	ELECTRIC & ELECTRONIC	32.3	32.2	31.9	33.0	33.1	2.9	2.6	3.2	2.7	30.4	31.3	32.1	33.1	34.0
10.	TRANSPORTATION EQUIP	42.3	44.5	42.6	40.1	42.0	-2.4	-12.6	-9.3	1.3	50.8	49.5	43.3	39.3	39.8
11.	OTHER DURABLE GOODS	15.5	15.8	15.5	15.4	15.5	15.3	6.7	0.2	-0.6	12.6	14.5	15.5	15.5	15.4
12.	NONDURABLE GOODS	348.6	348.8	349.4	349.6	347.0	0.3	-0.2	-0.5	-0.1	348.2	349.3	348.7	347.0	346.8
13.	FOOD AND KINDRED	60.8	61.1	61.5	61.8	61.6	-1.6	2.3	1.0	1.0	60.7	59.7	61.1	61.7	62.3
14.	TEXTILE MILL PRODUCTS	111.3	111.5	111.3	110.7	109.9	2.2	1.4	-1.5	-1.4	107.3	109.7	111.2	109.5	108.0
15.	APPAREL & TEXTILE	64.1	63.5	63.1	63.0	62.7	-1.9	-5.0	-2.8	-1.5	68.4	67.1	63.8	62.0	61.1
16.	PAPER & ALLIED PRODUCT	32.8	32.8	33.2	33.1	32.7	0.4	4.2	0.4	0.0	31.4	31.5	32.9	33.0	33.0
17.	PRINTING & PUBLISHING	37.6	37.9	38.0	38.7	38.1	3.3	-2.4	2.0	1.3	37.5	38.7	37.8	38.5	39.0
18.	CHEMICALS & ALLIED	19.2	19.4	19.9	19.7	19.7	0.4	0.7	3.1	2.0	19.2	19.3	19.4	20.0	20.4
19.	OTHER NONDURABLE GOODS	22.7	22.6	22.4	22.7	22.3	-1.7	-2.8	-1.5	3.1	23.7	23.3	22.6	22.3	23.0
20.	TOTAL NONMANUFACTURING	2360.4	2387.4	2406.0	2454.3	2454.7	4.2	3.2	3.7	2.9	2210.6	2303.7	2377.3	2464.1	2536.3
21.	MINING	8.8	8.7	8.7	8.8	8.7	4.3	-1.2	-0.6	0.0	8.5	8.9	8.8	8.7	8.7
22.	CONSTRUCTION	145.5	146.4	147.4	149.9	148.1	-1.5	-2.2	-0.0	-1.1	152.2	149.9	146.5	146.5	144.9
23.	TRANSP, COMM & PUB UT	182.3	183.5	186.1	187.7	187.0	3.9	0.9	3.0	1.6	175.4	182.3	183.9	189.5	192.5
24.	TRANSPORTATION	110.1	111.8	114.0	115.8	115.0	4.8	0.9	4.6	2.0	106.0	111.1	112.1	117.3	119.6
25.	COMMUNICATION	44.9	44.6	44.8	44.4	44.5	2.5	1.1	-0.1	0.9	43.1	44.2	44.6	44.6	45.0
26.	UTILTIES	27.3	27.0	27.2	27.5	27.5	2.6	0.4	1.7	1.1	26.3	27.0	27.2	27.6	27.9
27.	WHOLESALE & RETAIL TRADE	750.4	753.9	754.8	773.1	774.5	4.5	2.5	3.1	2.4	702.6	734.3	752.3	776.0	794.8
28.	WHOLESALE TRADE	222.1	223.6	225.3	230.0	230.8	6.2	3.6	3.1	0.7	203.0	215.6	223.3	230.3	232.0
29.	DURABLE GOODS	145.3	146.4	148.4	150.7	151.6	7.4	3.7	3.3	0.9	131.4	141.1	146.3	151.2	152.5
30.	NONDURABLE GOODS	76.8	77.2	76.9	79.3	79.2	4.0	3.4	2.8	0.5	71.6	74.4	77.0	79.1	79.5
31.	RETAIL TRADE	528.3	530.3	529.5	543.1	543.6	3.8	2.0	3.1	3.1	499.6	518.8	529.1	545.7	562.8
32.	FINANCE, INSUR & RL EST	162.5	164.3	163.0	164.6	164.9	3.7	1.4	0.1	0.9	155.4	161.2	163.5	163.7	165.1
33.	FINANCE	76.9	77.2	76.2	75.5	75.7	*	0.8	-2.5	0.7	70.2	76.2	76.9	75.0	75.5
34.	INSURANCE	53.8	54.4	54.9	56.0	56.0	5.0	2.6	3.6	2.0	50.3	52.9	54.2	56.2	57.3
35.	REAL ESTATE	31.8	32.7	32.0	33.1	33.2	*	1.0	0.4	-0.6	34.9	32.0	32.4	32.5	32.3
36.	SERVICES	602.2	612.7	625.9	640.3	640.1	6.1	6.4	5.9	5.2	539.9	573.1	609.5	645.6	679.1
37.	HOTELS & OTHER LODGING	41.8	42.8	43.9	45.4	45.2	2.6	6.0	7.0	3.5	39.1	40.1	42.5	45.5	47.1
38.	BUSINESS SERVICES	137.3	140.6	142.5	148.7	150.1	*	7.4	8.3	8.1	133.7	129.4	139.0	150.6	162.8
39.	HEALTH SERVICES	145.2	147.2	149.6	153.3	154.1	6.8	5.8	6.3	5.3	129.5	138.3	146.2	155.5	163.8
40.	GOVERNMENT	508.7	518.0	520.0	529.8	531.4	3.7	3.8	4.2	3.2	476.7	494.2	512.8	534.1	551.2
41.	FEDERAL GOVERNMENT	101.1	100.7	100.7	102.1	102.4	0.3	1.3	1.1	-2.5	99.3	99.5	100.9	102.0	99.5
42.	DEFENSE	37.0	37.0	37.0	36.8	36.6	-4.7	2.6	-1.3	-5.2	37.8	36.0	37.0	36.5	34.6
43.	OTHER FEDERAL	64.0	63.7	63.6	65.3	65.8	3.3	0.6	2.5	-0.9	61.5	63.5	63.9	65.5	64.9
44.	STATE & LOCAL GOVERNMENT	407.7	417.4	419.3	427.7	429.0	4.6	4.4	4.9	4.5	377.4	394.6	411.9	432.1	451.7
45.	STATE GOVERNMENT	122.8	125.4	127.9	129.3	130.0	4.5	6.4	5.5	5.3	111.8	116.8	124.3	131.1	138.0
46.	STATE EDUCATION	48.9	50.5	51.5	51.4	51.7	3.5	6.2	4.8	5.2	45.3	46.9	49.8	52.2	54.9
47.	OTHER STATE GOVT	73.9	75.0	76.4	77.9	78.3	5.2	6.4	6.0	5.3	66.5	70.0	74.5	78.9	83.1
48.	LOCAL GOVERNMENT	284.9	291.9	291.5	298.4	299.0	4.6	3.6	4.6	4.2	265.6	277.8	287.6	301.0	313.7
49.	LOCAL EDUCATION	150.6	157.2	154.6	157.7	158.4	4.5	4.6	4.7	4.1	140.0	146.3	153.0	160.2	166.8
50.	OTHER LOCAL GOVT	134.3	134.7	136.8	140.7	140.6	4.7	2.4	4.6	4.3	125.6	131.5	134.6	140.8	146.9
51.	TOTAL NONAG. PAYROLL	2927.4	2956.8	2974.2	3020.4	3019.6	3.5	2.3	2.8	2.5	2781.8	2878.0	2945.4	3027.1	3102.0
52.	CIVILIAN UNEMPL. RATE	5.6	5.7	5.6	4.9	4.7					5.5	5.9	5.6	5.5	5.3

Source : Data (in 1000's) seasonally adjusted by Forecasting Center.
MAR(P) is seasonally adjusted preliminary March employment. 1990 (F), and 1991(F) are forecasted values.
* Beginning in 1988 industry definitions were changed for these sectors. Therefore, year to year % changes from 1987 - 1988 are not consistent.

Table 2

Georgia Personal Income for 1987-89 with Forecasts through 1991

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1990

Description Quarterly Personal Income	Quarterly Data I 89	 II 89	 III89	 IV89	Annual percent change 87/86	 88/87	 89/88	 90/89(F)	 90/91(F)	Annual Average 1987	 1988	 1989	 1990(F)	 1991(F)
By Place of Residence														
1. Total Personal Income	101581	103442	104580	107136	8.7	8.1	7.6	7.5	8.0	89575	96816	104185	112047	120955
2. Nonfarm Personal Income	100018	101863	103522	105792	8.7	8.0	7.6	7.5	8.0	88407	95499	102799	110554	119403
3. Farm Personal Income	1563	1579	1058	1345	4.8	12.6	5.3	7.7	4.0	1169	1317	1386	1493	1552
Derivation of Income														
4. Total Earnings	78522	79548	80225	82210	9.0	7.8	6.0	7.0	7.6	70154	75616	80126	85741	92254
5. less: SSI Contribution	4763	4811	4863	4950	8.0	12.1	9.4	9.7	9.7	3953	4432	4847	5319	5835
6. plus: Residence Adj	-161	-159	-165	-178	-0.5	-27.8	-1.2	14.0	9.0	-233	-168	-166	-189	-206
7. equals: Net Earnings	73599	74577	75198	77083	9.1	7.7	5.8	6.8	7.5	65968	71016	75114	80233	86213
8. plus: Div, Int, Rent	14789	15420	15735	16096	9.4	10.3	15.7	9.8	9.2	12157	13403	15510	17023	18596
9. plus: Transfer Paymnts	13193	13445	13647	13957	5.8	8.3	9.4	9.1	9.2	11450	12396	13561	14791	16146
10. State UI Benefits	242	262	242	249	1.5	-5.9	15.2	5.7	-1.1	230	216	249	263	260
11. Tnsfrs less SUIB	12951	13184	13405	13708	5.9	8.5	9.3	9.1	9.3	11221	12180	13312	14528	15886
By Place of Work														
12. Components of Earnings														
13. Wages and Salaries	64395	65222	66242	67631	8.8	7.8	5.9	7.2	8.1	57740	62225	65873	70592	76345
14. Other Labor Income	6083	6199	6305	6458	9.9	7.5	7.6	7.4	5.9	5415	5820	6261	6723	7117
15. Proprietors Income	8044	8127	7679	8122	10.2	8.2	5.6	5.4	4.3	6999	7572	7993	8426	8792
16. Farm	1410	1426	903	1188	4.7	14.5	5.7	8.2	3.8	1018	1166	1232	1333	1384
17. Nonfarm	6634	6700	6775	6934	11.2	7.1	5.5	4.9	4.4	5981	6407	6761	7093	7408
Earnings By Industry														
18. Farm	1563	1579	1058	1345	4.8	12.6	5.3	7.7	4.0	1169	1317	1386	1493	1552
19. Nonfarm	76960	77968	79167	80866	9.1	7.7	6.0	7.0	7.7	68985	74300	78740	84248	90702
20. Private	63981	64739	65695	67188	9.3	7.7	5.5	6.8	7.9	57592	62009	65401	69856	75380
21. Ag Svc, Fish, Etc	320	331	349	349	21.6	10.6	0.4	4.7	4.8	304	336	337	353	370
22. Mining	312	302	311	316	8.4	6.8	1.6	3.8	5.0	286	305	310	322	338
23. Construction	4737	4628	4649	4810	2.6	2.7	-2.1	4.6	3.9	4681	4807	4706	4923	5117
24. Manufacturing	14657	14708	14845	15037	6.4	4.0	2.7	2.7	5.6	13869	14425	14812	15211	16059
25. Nondurable Goods	8270	8356	8380	8547	7.0	4.7	3.9	3.4	4.9	7710	8074	8388	8675	9104
26. Durable Goods	6387	6353	6465	6491	5.8	3.1	1.2	1.7	6.4	6159	6351	6424	6536	6955
27. Trans and Pub Utils	7042	7232	7086	7240	10.1	6.1	2.7	6.2	7.2	6562	6962	7150	7594	8139
28. Wholesale Trade	7472	7492	7682	7845	8.3	12.2	8.5	7.8	6.3	6258	7025	7623	8220	8736
29. Retail Trade	7724	7801	7800	7845	8.4	6.9	3.8	5.1	7.4	7022	7510	7793	8187	8789
30. Fin, Ins, and RE	4988	5202	5415	5573	12.3	9.4	5.2	7.3	8.2	4600	5031	5295	5682	6148
31. Services	16730	17043	17558	18173	14.0	11.4	11.3	11.4	12.0	14012	15610	17376	19364	21684
32. Gvt and Gvt Entprs	12978	13229	13472	13678	7.9	7.9	8.5	7.9	6.5	11393	12290	13339	14392	15322
33. Federal, Civilian	3096	3120	3147	3165	5.9	8.5	9.7	8.5	2.8	2630	2855	3132	3397	3493
34. Military	1629	1615	1662	1662	3.5	2.7	2.3	0.2	-2.7	1564	1606	1642	1646	1602
35. State and Local	8254	8494	8664	8851	9.7	8.8	9.4	9.1	9.4	7199	7831	8566	9349	10227
36. % of US Nonfarm	2.38	2.38	2.38	2.39						2.38	2.39	2.39	2.40	2.41
37. Population						1.8	1.5	1.4	1.5	6228	6339	6436	6527	6623

Source : Bureau of Economic Analysis
1990(F) and 1991(F) are forecasted values.

Table 3

Atlanta Wage & Salary Employment (Seasonally Adjusted) for 1987-89 with Forecasts through 1991

Georgia State University
College of Business Administration
Economic Forcasting Center
May 1990

Description	Quarterly Seasonalized Data II 89	III 89	IV 89	I 90	MAR(P)	Annual Percentage Change 88/87	89/88	90/89	91/90	Annual Average 1987	1988	1989	1990(F)	1991(F)
1. MANUFACTURING	177.4	179.5	177.8	178.0	179.3	-2.1	-3.6	-1.3	1.3	188.7	184.7	178.1	175.8	178.1
2. DURABLE GOODS	88.2	89.7	88.0	87.3	88.6	-2.9	-7.0	-4.4	1.4	98.3	95.5	88.8	84.9	86.1
3. LUMBER AND WOOD	3.8	3.7	3.7	3.5	4.1	-2.2	-22.3	-6.1	0.0	5.0	4.9	3.8	3.6	3.6
4. FURNITURE AND FIXTURES	3.9	3.9	3.9	3.9	4.0	-3.1	-4.7	-0.8	2.6	4.3	4.1	3.9	3.9	4.0
5. STONE, CLAY, AND GLASS	8.8	8.5	8.5	8.7	8.6	-5.2	-4.8	-2.5	0.0	9.7	9.2	8.7	8.5	8.5
6. PRIMARY METAL INDUSTRY	6.7	6.8	6.7	6.9	6.7	-6.6	2.8	1.2	0.0	7.0	6.5	6.7	6.8	6.8
7. FABRICATED METAL	9.4	9.3	9.4	9.4	9.4	0.1	-1.7	-0.0	1.1	9.5	9.6	9.4	9.4	9.5
8. MACHINERY EXC ELECTRIC	10.6	10.6	11.0	11.4	11.4	-0.8	8.0	7.6	2.6	10.0	9.9	10.7	11.5	11.8
9. ELECTRIC & ELECTRONIC	15.6	15.6	15.7	15.9	15.9	2.7	-1.7	2.7	1.2	15.4	15.8	15.6	16.0	16.2
10. TRANSPORTATION EQUIP	22.2	23.9	21.7	20.1	21.1	-9.5	-20.9	-21.7	1.7	31.8	28.7	22.7	17.8	18.1
11. OTHER DURABLE GOODS	7.1	7.3	7.4	7.4	7.3	18.3	7.7	2.7	2.7	5.7	6.7	7.2	7.4	7.6
12. NONDURABLE GOODS	89.3	89.8	89.8	90.7	90.7	-1.3	0.1	1.8	1.2	90.4	89.2	89.3	90.9	92.0
13. FOOD AND KINDRED	20.5	20.5	20.3	20.8	21.0	-3.5	0.4	2.9	2.4	21.0	20.3	20.4	21.0	21.5
14. TEXTILE MILL PRODUCTS	7.8	7.9	7.9	7.8	7.7	2.8	3.1	-1.6	-2.6	7.4	7.6	7.8	7.7	7.5
15. APPAREL & TEXTILE	9.8	9.7	9.6	9.8	9.8	-8.8	-7.4	-2.4	-2.1	11.5	10.5	9.7	9.5	9.3
16. PAPER & ALLIED PRODUCT	9.8	9.7	9.7	9.5	9.6	2.4	7.1	-2.2	1.1	8.9	9.1	9.7	9.5	9.6
17. PRINTING & PUBLISHING	24.0	24.3	24.2	24.8	24.7	3.6	0.6	3.6	1.6	23.0	23.9	24.0	24.9	25.3
18. CHEMICALS & ALLIED	9.3	9.5	9.9	9.9	9.8	1.4	3.1	5.0	3.0	9.1	9.2	9.5	10.0	10.3
19. OTHER NONDURABLE GOODS	8.1	8.2	8.1	8.2	8.2	-8.1	-6.0	2.5	2.4	9.4	8.6	8.1	8.3	8.5
20. TOTAL NONMANUFACTURING	1267.6	1279.5	1287.8	1313.8	1315.3	4.2	3.0	3.5	3.2	1187.9	1237.7	1275.1	1320.0	1362.0
21. MINING	1.3	1.3	1.2	1.2	1.2	3.0	-11.9	-7.7	-8.3	1.4	1.5	1.3	1.2	1.1
22. CONSTRUCTION	67.9	67.4	67.3	69.4	68.8	-2.6	-4.1	-1.2	-1.2	72.9	71.0	68.1	67.3	66.5
23. TRANSP, COMM & PUB UT	118.6	121.3	123.5	125.2	126.1	4.4	0.5	4.7	2.5	115.2	120.3	120.9	126.5	129.6
24. TRANSPORTATION	73.5	76.4	78.2	79.7	80.2	4.7	-0.4	6.2	2.7	72.9	76.3	76.0	80.7	82.9
25. COMMUNICATION & UTILITY	45.0	44.9	45.3	45.5	46.0	4.0	2.0	2.0	2.0	42.3	44.0	44.9	45.8	46.7
26. WHOLESALE & RETAIL TRADE	411.0	413.6	412.4	419.6	419.6	4.4	2.6	2.5	2.5	384.0	401.1	411.7	422.2	432.6
27. WHOLESALE TRADE	143.1	144.1	144.8	146.9	147.4	5.0	3.3	2.8	1.4	132.6	139.2	143.9	147.9	150.0
28. DURABLE GOODS	103.2	104.3	105.1	106.2	106.5	6.4	4.3	3.1	1.3	93.6	99.6	103.9	107.1	108.5
29. NONDURABLE GOODS	39.9	39.9	39.7	40.7	40.9	1.8	0.8	2.0	1.7	39.0	39.7	40.0	40.8	41.5
30. RETAIL TRADE	267.9	269.5	267.6	272.7	272.2	4.1	2.3	2.4	3.0	251.5	261.9	267.9	274.3	282.6
31. FINANCE, INSUR & RL EST	105.9	106.2	106.0	106.7	106.6	4.4	2.3	0.8	1.2	99.1	103.5	105.8	106.7	108.0
32. FINANCE	45.8	45.5	45.0	44.8	44.9	*	1.2	-1.3	0.7	40.5	44.8	45.4	44.8	45.1
33. INSURANCE	37.9	38.2	38.5	39.2	39.1	6.7	3.1	3.2	2.0	34.6	36.9	38.1	39.3	40.1
34. REAL ESTATE	22.1	22.5	22.5	22.7	22.6	*	3.0	1.1	0.9	23.9	21.7	22.3	22.6	22.8
35. SERVICES	353.1	358.7	364.8	374.6	374.7	5.0	6.0	5.9	5.5	320.8	336.7	356.8	377.8	398.7
36. HOTELS & OTHER LODGING	23.5	23.7	24.0	24.3	24.2	0.2	0.6	3.6	2.9	23.5	23.5	23.6	24.5	25.2
37. BUSINESS SERVICES	98.5	100.6	101.1	104.5	105.2	*	7.1	6.5	5.7	97.7	92.8	99.4	105.8	111.8
38. HEALTH SERVICES	65.8	66.6	67.6	69.4	69.7	6.7	5.5	6.3	6.3	58.8	62.7	66.1	70.3	74.7
39. GOVERNMENT	209.9	211.0	212.6	217.1	218.2	4.7	3.4	3.7	3.3	194.5	203.6	210.5	218.3	225.5
40. FEDERAL GOVERNMENT	43.3	42.6	42.7	43.2	43.4	3.4	-0.9	-0.7	-1.6	42.0	43.5	43.1	42.8	42.1
41. DEFENSE	6.1	6.1	6.2	6.0	5.8	-3.0	1.9	-8.7	-8.9	6.2	6.0	6.1	5.6	5.1
42. OTHER FEDERAL	37.1	36.5	36.6	37.2	37.4	4.5	-1.3	0.7	-0.5	35.8	37.5	37.0	37.2	37.0
43. STATE & LOCAL GOVERNMENT	166.7	168.4	169.9	173.9	174.8	5.0	4.5	4.8	4.5	152.5	160.2	167.4	175.5	183.4
44. STATE GOVERNMENT	43.3	44.5	45.8	46.6	46.9	4.8	8.1	7.6	5.7	38.9	40.7	44.0	47.4	50.1
45. STATE EDUCATION	15.1	16.0	16.6	17.0	17.3	4.8	12.4	11.5	8.6	13.3	14.0	15.7	17.5	19.0
46. OTHER STATE GOVT	28.1	28.5	29.1	29.6	29.6	4.8	5.8	5.5	4.0	25.6	26.8	28.3	29.9	31.1
47. LOCAL GOVERNMENT	123.4	123.9	124.1	127.3	127.8	5.1	3.3	3.9	4.1	113.6	119.4	123.3	128.1	133.3
48. LOCAL EDUCATION	61.1	61.8	61.1	62.8	63.2	3.3	4.1	3.4	3.2	56.9	58.8	61.2	63.3	65.3
49. OTHER LOCAL GOVT	62.3	62.1	63.0	64.4	64.6	7.0	2.6	4.3	4.9	56.7	60.6	62.2	64.8	68.0
50. TOTAL NONAG. PAYROLL	1445.0	1459.0	1465.6	1490.9	1494.5	3.3	2.2	2.9	3.0	1376.6	1422.4	1453.2	1495.8	1540.1
51. CIVILIAN UNEMPL. RATE	5.3	5.2	5.2	4.5	4.3					4.7	5.2	5.2	5.2	4.8

Source : Data (in 1000's) seasonally adjusted by Forecasting Center.
MAR(P) is seasonally adjusted preliminary March employment. 1990 (F), and 1991(F) are forecasted values.

* Beginning in Jan. 1988 industry definitions were changed for these sectors. Therefore, year to year % changes from 1987 - 1988 are not consistent.

Table 4

Atlanta Personal Income for 1985-87 with Forecasts through 1991

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1989

Description Annual Personal Income	Annual Average 1985	1986	1987	1988(E)	1989(F)	1990(F)	1991(F)	Annual Percentage Change 86/85	87/86	88/87(E)	89/88(F)	90/89(F)	91/90(F)
By Place of Residence													
1. Total Personal Income	38186	42124	46357	50354	53971	58245	63212	10.3	10.0	8.6	7.2	7.9	8.5
2. Nonfarm Personal Income	38070	41968	46225	50208	53814	58075	63041	10.2	10.1	8.6	7.2	7.9	8.6
3. Farm Personal Income	116	156	132	146	157	170	171	34.9	-15.4	10.5	7.5	8.3	0.6
Derivation of Income													
4. Total Earnings	32180	35844	39651	42728	45045	48391	52398	11.4	10.6	7.8	5.4	7.4	8.3
5. less: SSI Contribution	1850	2091	2299	2568	2810	3110	3416	13.0	9.9	11.7	9.4	10.7	9.8
6. plus: Residence Adj	-866	-1034	-1119	-1076	-1059	-1035	-1053	19.3	8.2	-3.8	-1.6	-2.3	1.7
7. equals: Net Earnings	29463	32719	36233	39084	41176	44246	47929	11.1	10.7	7.9	5.4	7.5	8.3
8. plus: Div, Int, Rent	5218	5681	6192	6864	7942	8694	9511	8.9	9.0	10.9	15.7	9.5	9.4
9. plus: Transfer Paymnts	3505	3764	4046	4406	4853	5305	5772	7.4	7.5	8.9	10.1	9.3	8.8
By Place of Work													
10. Components of Earnings													
11. Wages and Salaries	27223	30165	33339	36107	38064	41134	44825	10.8	10.5	8.3	5.4	8.1	9.0
12. Other Labor Income	2529	2810	3082	3295	3533	3708	3896	11.1	9.7	6.9	7.2	5.0	5.1
13. Proprietors Income	2428	2818	3050	3326	3448	3549	3677	16.1	8.2	9.0	3.7	2.9	3.6
14. Farm	106	147	122	135	145	157	157	38.3	-16.6	10.2	7.4	8.3	0.0
15. Nonfarm	2322	2671	2958	3191	3303	3392	3520	15.1	10.7	7.9	3.5	2.7	3.8
Earnings By Industry													
16. Farm	116	156	132	146	157	170	171	34.9	-15.4	10.5	7.5	8.3	0.6
17. Nonfarm	32064	35627	39309	42582	44888	48221	52227	11.1	10.3	8.3	5.4	7.4	8.3
18. Private	28094	31337	34565	37335	39223	42110	45675	11.5	10.3	8.0	5.1	7.4	8.5
19. Ag Svc, Fish, Etc	103	114	123	131	130	132	137	10.3	7.9	6.6	-0.8	1.5	3.8
20. Mining	86	65	67	71	65	63	61	-24.7	3.1	6.0	-8.5	-3.1	-3.2
21. Construction	2212	2549	2709	2782	2662	2797	2893	15.2	6.3	2.7	-4.3	5.1	3.4
22. Manufacturing	4822	5311	5669	5762	5777	5892	6267	10.1	6.7	1.6	0.3	2.0	6.4
23. Nondurable Goods	2005	2236	2444	2540	2626	2776	2948	11.5	9.3	3.9	3.4	5.7	6.2
24. Durable Goods	2817	3075	3225	3222	3151	3116	3319	9.2	4.9	-0.1	-2.2	-1.1	6.5
25. Trans and Pub Utils	3784	4060	4510	4818	4919	5328	5738	7.3	11.1	6.8	2.1	8.3	7.7
26. Wholesale Trade	4320	4595	4921	5462	5910	6353	6798	6.4	7.1	11.0	8.2	7.5	7.0
27. Retail Trade	3407	3703	4105	4451	4601	4802	5151	8.7	10.9	8.4	3.4	4.4	7.3
28. Fin, Ins, and RE	2555	3005	3344	3702	3907	4220	4579	17.6	11.3	10.7	5.5	8.0	8.5
29. Services	6805	7934	9117	10156	11252	12523	14051	16.6	14.9	11.4	10.8	11.3	12.2
30. Gvt and Gvt Entprs	3970	4291	4744	5247	5665	6111	6552	8.1	10.6	10.6	8.0	7.9	7.2
31. Federal, Civilian	1106	1123	1216	1368	1484	1583	1642	1.5	8.3	12.5	8.5	6.7	3.7
32. Military	236	260	277	288	293	290	274	10.1	6.6	4.1	1.7	-1.0	-5.5
33. State and Local	2628	2909	3252	3591	3888	4238	4636	10.7	11.8	10.4	8.3	9.0	9.4
34. % of GA Nonfarm	47.0	51.2	51.8	52.0	51.8	52.0	52.3						
35. Population	2469	2569	2656	2737	2802	2869	2941	4.1	3.4	3.0	2.4	2.4	2.5

Source : Bureau of Economic Analysis
1989(F), 1990(F) and 1991(F) are forecasted values. 1988(E) are estimated values.

TABLE 5

METRO ATLANTA HOUSING PERMITS
FOR 1987 THROUGH 1989 WITH FORECASTS THROUGH 1991

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1990

COUNTY	I189 SINGLE	I189 MULTI	III89 SINGLE	III89 MULTI	IV89 SINGLE	IV89 MULTI	190 SINGLE	190 MULTI	1987 SINGLE	1987 MULTI	1988 SINGLE	1988 MULTI	1989 SINGLE	1989 MULTI	1990(F) SINGLE	1990(F) MULTI	1991(F) SINGLE	1991(F) MULTI
BARROW	65	48	70	0	44	0	55	0	140	0	253	10	229	48	225	20	225	30
BUTTS	29	0	28	0	14	0	23	0	96	0	128	6	103	0	75	0	80	0
CHEROKEE	317	12	302	2	261	3	325	9	1869	94	1700	43	1254	17	1020	30	1050	30
CLAYTON	237	503	301	237	260	296	221	288	1458	1834	1475	1319	1113	1199	900	850	880	720
COBB	645	42	833	716	612	30	769	70	5747	2969	4231	1567	3000	1371	2720	830	2700	740
COWETA	204	0	204	63	197	120	224	2	825	0	873	53	847	231	865	140	900	150
DEKALB	590	467	632	1446	467	238	552	668	2820	2363	2940	4589	2281	2653	2200	2470	2100	1890
DOUGLAS	133	1	135	7	106	264	137	4	1048	303	895	647	551	904	500	250	520	200
FAYETTE	233	40	242	0	187	202	244	2	767	0	1221	7	955	368	810	225	860	250
FORSYTH	218	5	170	0	159	0	176	0	731	6	826	4	748	7	680	10	720	10
FULTON	839	1336	692	507	699	1714	1326	2259	3949	2917	3961	4978	3296	3826	3060	4000	2730	3120
GWINNETT	982	27	968	149	800	13	913	25	5496	525	4551	1238	3932	437	3150	300	3100	320
HENRY	239	24	268	10	223	28	324	4	1442	134	1412	151	1083	210	960	100	1050	120
NEWTON	121	0	109	80	123	98	129	80	513	0	449	80	534	194	520	250	540	200
PAULDING	192	0	168	0	179	80	219	0	1110	0	893	2	689	80	790	30	850	40
ROCKDALE	170	0	144	1	88	0	155	0	1002	54	743	116	567	1	550	10	590	20
SPALDING	75	0	82	1	62	4	77	4	635	24	321	304	312	36	290	20	320	20
WALTON	143	0	115	10	110	8	77	2	482	0	562	74	488	34	450	20	480	30
TOTAL: SINGLE & MULT	5432	2505	5463	3229	4591	3098	5946	3417	30130	11223	27434	15188	21982	11616	19765	9555	19695	7890
% CHANGE FROM PREVIOUS QUARTER/YEAR	-30.7	-40.5	-20.4	16.3	-4.3	-32.3	-8.5	22.7	-0.6	-40.7	-8.9	35.3	-19.9	-23.5	-10.1	-17.7	-0.4	-17.4
TOTAL PERMITS (SINGLE + MULTI)	7937		8692		7689		9363		41353		42622		33598		29320		27585	
% CHANGE IN TOTAL (SINGLE + MULTI)	-34.2		-9.9		-18.0		0.9		-16.6		3.1		-21.2		-12.7		-5.9	
ESTIMATED POTENTIAL ABSORPTION (000)									42.5		38.9		30.8		29.8		27.7	

Source : Homebuilders Association of Metro Atlanta
1990 (F) and 1991(F) are forecasted values
1986-1987 % changes are calculated on a 15-county basis.

Corrected Table 6. Original T.6 Incorrectly Reported Total Non-Manufacturing (Line 20)

Five Year Employment Projections for Georgia

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1990

	Employment Component Description	1989 Actual	1994 Forecast	Percentage Change	Annual Rate	Previous Annual Rate
1.	Manufacturing	568.1	582.9	2.6	0.5	0.3
2.	Durable Goods	219.4	233.9	6.6	1.3	0.3
3.	Lumber	32.7	31.5	-3.7	-0.7	-0.5
4.	Furniture	11.0	11.0	0.0	0.0	-0.3
5.	Stone, Clay, Glass	19.4	18.9	-2.6	-0.5	0.4
6.	Primary Metals	15.2	16.2	6.6	1.3	-0.9
7.	Fabricated Metals	21.6	25.3	17.1	3.2	2.9
8.	Non-Electrical Machinery	28.7	35.3	23.0	4.2	2.7
9.	Electrical Machinery	32.1	37.1	15.6	2.9	2.0
10.	Transportion Equipment	43.3	42.6	-1.6	-0.3	-2.6
11.	Other Durable Goods	15.5	16.0	3.2	0.6	1.8
12.	Nondurable Goods	348.7	349.0	0.1	0.0	0.2
13.	Food	61.1	64.5	5.6	1.1	0.7
14.	Textiles	111.2	105.5	-5.1	-1.0	-0.1
15.	Apparel	63.8	58.4	-8.5	-1.8	-1.4
16.	Paper	32.9	33.4	1.5	0.3	0.5
17.	Printing	37.8	41.2	9.0	1.7	2.0
18.	Chemicals	19.4	21.9	12.9	2.5	1.4
19.	Other Nondurable Goods	22.6	24.1	6.6	1.3	0.6
20.	Total Nonmanufacturing	2377.3	2816.8	18.5	3.5	4.4
21.	Mining	8.8	8.7	-1.1	-0.2	1.3
22.	Construction	146.5	169.1	15.4	2.9	1.0
23.	Transportation, Communication & Utilities	183.9	208.5	13.4	2.5	2.5
24.	Trade	752.3	862.6	14.7	2.8	4.1
25.	Wholesale Trade	223.3	247.2	10.7	2.1	2.6
26.	Retail Trade	529.1	615.4	16.3	3.1	4.7
27.	Finance, Insurance & Real Estate	163.5	174.6	6.8	1.3	3.0
28.	Services	609.5	783.5	28.5	5.2	5.2
29.	Government	512.8	609.8	18.9	3.5	2.8
30.	Federal Government	100.9	100.5	-0.4	-0.1	1.0
31.	State Government	124.3	156.7	26.1	4.7	2.7
32.	Local Government	287.6	352.6	22.6	4.2	3.5
33.	Total Nonagricultural Payroll	2945.4	3399.7	15.4	2.9	3.0
34.	Population	6436	6911	7.4	1.43	1.74

Table 7.

Five Year Personal Income Projections for Georgia

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1990

	Personal Income Component	1989 Actual	1994 Forecast	Percentage Change	Annual Rate	Previous Annual Rate
BY PLACE OF RESIDENCE						
1.	Total Personal Income	104185	154625	48.4	8.2	10.0
2.	Nonfarm Personal Income	102799	153094	48.9	8.3	10.1
3.	Farm Personal Income	1386	1531	10.5	2.0	3.2
	Derivation of Income					
4.	Total Earnings	80128	118857	48.3	8.2	10.1
5.	less: SSI Contribution	4847	7800	60.9	10.0	13.8
6.	plus: Residence Adjustment	-166	-247	---	---	---
7.	equals: Net Earnings	75115	110810	47.5	8.1	9.9
8.	plus: Dividends, Interest, Rent	15510	23556	51.9	8.7	11.7
9.	plus: Transfer Payments	13561	20259	49.4	8.4	9.1
10.	State Unemployment Benefits	249	317	27.3	4.9	7.9
11.	Other Transfers	13312	19942	49.8	8.4	9.1
BY PLACE OF WORK						
	Components of Earnings					
12.	Wages and Salaries	65873	100235	52.2	8.8	10.8
13.	Other Labor Income	6261	8565	36.8	6.5	6.0
14.	Proprietors Income	7993	10057	25.8	4.7	6.6
15.	Farm	1232	1531	24.3	4.4	3.2
16.	Nonfarm	6761	8526	26.1	4.7	7.2
	Earnings by Industry					
17.	Farm	1386	1726	24.5	4.5	3.5
18.	Nonfarm	78742	117131	48.8	8.3	10.2
19.	Private	65402	97900	49.7	8.4	10.5
20.	Agricultural Services, Fisheries, etc	337	426	26.4	4.8	9.7
21.	Mining	310	403	30.0	5.4	8.1
22.	Construction	4706	6913	46.9	8.0	6.2
23.	Manufacturing	14812	19332	30.5	5.5	6.6
24.	Durable Goods	6424	8726	35.8	6.3	6.1
25.	Nondurable Goods	8388	10606	26.4	4.8	6.9
26.	Transportation & Public Utilities	7150	10499	46.8	8.0	9.8
27.	Trade	15416	22213	44.1	7.6	11.4
28.	Wholesale Trade	7623	10928	43.4	7.5	10.7
29.	Retail Trade	7793	11285	44.8	7.7	12.0
30.	Finance, Insurance & Real Estate	5295	7894	49.1	8.3	11.2
31.	Services	17376	30220	73.9	11.7	14.5
32.	Government & Govt Enterprises	13340	19231	44.2	7.6	8.4
33.	Federal Civilian	3132	4026	28.5	5.2	6.5
34.	Federal Military	1642	1665	1.4	0.3	6.2
35.	State and Local	8566	13540	58.1	9.6	9.6
36.	Real Personal Income(Note 1)	37585	44331	17.9	3.4	3.1
37.	Atlanta CPI(1977 = 100)	277.2	348.8	25.8	4.7	5.0

Note 1: Adjusted to reflect difference from national purchasing power, and to eliminate CPI bias, assuming the CPI increases 4.7% per year.

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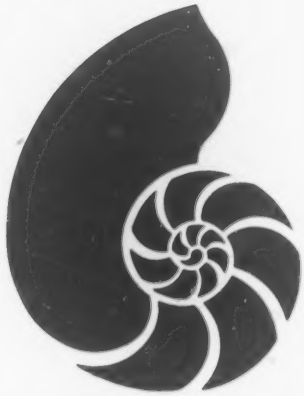
Dr. Donald Ratajczak, Director



ECONOMIC FORECASTING CENTER

NATIONAL SLUMP STALLS GEORGIA'S RECOVERY

Dr. Donald Ratajczak
Director
Economic Forecasting Center

SUMMARY

Just as Georgia's economy appeared to be shaking off last year's slump, the national economy began to stall. Textile and apparel employment could not shrug off this national decline. Furthermore, consumers in Georgia were as timid as those nationwide, leading to only a 3.5% gain in taxable sales during the past twelve months. Our estimates of Georgia's gross state product shows only a 0.5% gain in the past four quarters, even less than the 1.2% gain in the nation. Moreover, gross state product may again have declined in Georgia during the second quarter, even as the national economy continued to expand by 1.2%. Seasonally adjusted employment declined slightly, even as it continued to expand at a 1.6% annual rate nationwide. However, the first quarter gains in personal income were stronger in Georgia than in the nation.

In the past twelve months, employment has increased 2.3% in Georgia while expanding only 2.1% in the U.S. With estimates of less growth in product, however, corporate profitability has been falling significantly in Georgia, with profit accruals falling 21% during the past year. Coupled with sluggish gains in taxable sales and slowing growth in personal income, this sluggishness has generated a revenue problem for the state. It now appears that following the September sales tax exemption on food items, revenues will expand only 4% for the year. With a 2 percentage point shortfall last year, receipts may be 3% below budget needs. Revenues should grow a more normal 7% in the following fiscal year.

Because of sluggish national activity, gross state product in Georgia now is projected to grow only 1.5% this year and slightly less than 1% next year, following gains of slightly more than 2% during 1989. Nevertheless, 60,500 new jobs should be created this year, while an additional 49,200 jobs should develop next year. Weakness already is apparent in the stone, textile, and apparel industries. Finance and real estate also are struggling. Further declines should occur in durables, as the Lakewood plant in Atlanta is shuttered. However, expanding air service, further growth in communications and modest growth in health services should generate some jobs. Government employment will average higher this year because of the census, but little growth in federal payrolls is expected in 1991. Weakness in defense also will adversely impact government wage growth.

Although unemployment has fallen slightly this year, an increase to 5.8% is expected next year. This slowing in employment opportunities will further slow the growth of population to only 1.3% this year and a decade low 1.2% next year.

Although Georgia personal income expanded faster than nationwide during the first quarter, income growth has slowed to only 7.2% ahead of the previous year. Earnings were especially hard hit in the finance and nondurable manufacturing industries. Farm income rebounded strongly, and earnings also spurted for retail trade, federal government, and services. As construction slumps and durable manufacturing again turns soft, personal income will slow to only a 7% gain for 1990 and remain sluggish by growing only 7.2% in 1991.

An outright decline in Georgia's economy is not projected. However, the weakness that is developing nationwide already has stopped the developing recovery in Georgia. Further weakness is likely through the summer months and into the fall before a return to gradual growth becomes apparent. This three quarters of economic decline should be classified as a mild recession for Georgia, but growth is expected to resume early in 1991.

RECENT CONDITIONS

Construction and retail activity were not expected to sustain their strong winter performance, which appears to be related to mild weather. Our employment estimates indicate those expectations were justified. Of course, the census added more than 4000 jobs during the second quarter, on top of nearly 2000 jobs early in the year. Those government employees will be reduced in subsequent months. In addition, defense already began weakening early in the year and should show substantially greater declines next year.
However, a substantial slowing in employment growth in the service sector was not expected. As the economy slows, demand for temporary workers has eased. Also, health services have begun to grow more slowly. This sluggish growth in services along with a continuing slump in finance has slowed the spring sufficiently to generate employment declines that are similar to those experienced during the auto and airline induced slump of the second quarter of 1989.

The downward drift in durable manufacturing stalled during the spring, but the closing of the Lakewood assembly plant with its 2200 workers will add further weakness to durable activity later in the year. Also, weakness nationwide should cause weak activity in primary metals and machinery. Some growth still is anticipated in fabricated metals and electrical machinery, but the oil induced slump nationwide could create enough interest rate gains to snuff out even this area of mild gains. Although defense is slumping, and Lockheed has lost an important naval plane, the combination of aeronautics at Marrietta probably will add slightly to employment there. Since Doraville already is down to one shift, no further auto disruptions are expected following the Lakewood closing. Therefore, the slump in transportation equipment employment probably is ending regardless of the national decline (unless that slump becomes deep).

Employment in nondurables industries continue to shrink. The carpet industry currently is holding its employment levels, but declines are expected there during the next year. The weaving and yarn plants all should experience sharp employment declines in the next few months. Apparel also continues to drift downward with no firming in sight. The weak economy will hurt paper production and the modest growth in chemical employment could be reversed by the higher prices that must be paid for oil derivatives. However, a modest rebirth of the tire industry in Albany should help the growth of other nondurables.

Mild weather aided the construction industry during the winter, but rising long-term interest rates should prevent any construction rebound until the second half of next year. Weakness in construction and in the processing of aggregates is responsible for further erosion in the mining industry in Georgia. No rebound is expected soon. High oil prices still might squelch the rebound in air transportation. Certainly, trucking will continue to struggle in this state with a national recession.

Fortunately, the concentration of ATT activities in Atlanta and Covington will insure significant growth for the communications industry even if a mild recession hits. About half the additional ATT contingent has arrived and more should arrive during 1991.

Georgia already has faced its trade recession, but further sluggishness in consumer spending could lead to actual declines in wholesale trade and minimal growth in retail employment. If this forecast is optimistic, most of the overstatement probably will be in trade. However, the employment gains currently projected are consistent with the growth of purchasing power expected in Georgia households. Disposable income should increase about 7% both in 1990 and 1991. Higher oil prices probably will exhaust 5 percentage points of that, but Georgia households certainly have the capacity to increase real spending by nearly 2%. With taxable sales up 1.6% last year, those households clearly did not spend the more than 3% gain in real spending they received last year. After adding a 7% increase in service expenditures, Georgia households apparently raised their savings rates by 3 percentage points in 1989. Georgia consumers are expected to remain cautious during the second half of 1990. That is why employment for the year is projected to average less than the seasonally adjusted levels during the first half. However, a strong recovery in consumer spending is projected for 1991. Continued consumer caution would, instead, prolong the recession through the early months of 1991.

The financial services sector already is in recession. Although few banks have faced serious trouble in their loan portfolios, increased write-offs have lowered earnings sufficiently to induce employment cutbacks. Also, fears of unfriendly bank mergers have led to aggressive cost cutting at several banks. This cost cutting should be over early in 1991 and a modest recovery should begin. Similarly, the modest slump in the brokerage industry should have run its course early in 1991 in the absence of a serious stock market slump. Modest growth is continuing in the insurance industry, while real estate sales are sluggish. Even so, sales of previously owned homes were up 14% in Georgia from the previous year even as they were off 0.5% nationwide during the spring. Mass price concessions have not developed in the state, although some subdivision prices have been cut from last year, and prices of land lots have fallen sharply in recent months.

The largest uncertainty in the Georgia economy is the behavior of the service sector. This sector grew strongly through the first quarter and then actually declined slightly in the spring. Several new hotel ventures insure some gains in that sector during the next year, although the delay in expanding the Georgia World Congress Center also has delayed the development of some of those hotels. Growth in health services shows only modest slowing, but business services have slumped in recent months. Sharp reductions in the use of temporaries may account for much of this weakness. The temporary sector is not expected to rebound until the national economy has run its course. That means little growth in that area until the second half of 1991. Other services also are struggling. This slowing in the service economy could adversely impact the absorption of office space, especially in the metro areas.

The census caused a rebound in federal employment that should now dissipate with the end of this head count. Defense also should fall off significantly. Thus, federal employment will not be aiding employment growth in Georgia through 1991. State and local governments will be strapped for revenues to finance their growth. Here again, budget freezes could surface to cause even sharper slowing in employment gains than currently projected. Clearly, the state currently does not have the revenues to support the employment gains currently projected. Local governments will not feel the cyclical swings of revenue loss as quickly as the state. However, weaker employment gains could also surface there.

Although our employment projections for 1990 are realistic, because they assume actual declines in seasonally adjusted employment during the second half, they may prove to be optimistic for 1991. However, until the magnitude of the national downturn is more fully understood, projections of 1.6% employment growth for 1991 still appears to be the most appropriate.

The first quarter slump in our leading indicators clearly anticipated the drop in Georgia's coincident indicators during the spring. Except for a dip in February, seasonally adjusted unemployment claims have been trending upward since last September. Seasonally and inflation adjusted state revenues also have been slumping in recent months. However, corporate tax accruals, which are down 17% during the past year, actually rebounded slightly in June, suggesting that cost cutting efforts will not be extensive. If oil prices had not surged, Georgia's economy was on the verge of rebounding from its second quarter dip. With the lost purchasing power from rising oil prices, however, no early rebound is now likely.

Georgia's leading indicators also began to show promise late in the spring. The manufacturing workweek increased significantly. Initial unemployment claims after seasonal adjustment were at their lowest levels in more than a year. Nonresidential construction contracts continued the rebound from a steep slump that bottomed in January. Contracts now are down only 1.7% from a year ago.

However, several indicators remain sluggish. Residential permits are now down 22.6% from the same quarter of the past year. Thus, the housing slump in Georgia still is not over. Sales tax receipts fell significantly in three of the past four months, while commercial bank deposits adjusted for seasonal and inflationary factors has not increased this year. Nevertheless, Georgia's manufacturing sector was poised for a rebound when the oil crisis hit. The long lead indicator measured by the ratio of the leading to the coincident indicators reached its highest level in the most recent month. Thus, without the national slump, Georgia would have quickly ended the spring dip without generating a recession. With the deteriorating national outlook, however, the indicators clearly are consistent with a recession having begun in Georgia during the spring which should persist until early next year.

Aided by a 48.8% spurt in farm income to the highest level in a decade, Georgia's personal income easily outperformed the nation during the first quarter. Even without farming, Georgia's income grew slightly more than nationwide. Small businesses continued to do well, as reflected in a strong 2.9% gain in proprietors' income in the quarter. Transfer payments grew in line with national norms, but property income grew more slowly than nationwide. Industries generating more rapid income gains than nationwide during the first quarter included wholesale and retail trade, services, federal civilian employees and state and local government payrolls. Industries performing worse than nationwide were forestry, construction, nondurable manufacturing, transportation services, and military payrolls.

Taxable sales showed some modest acceleration during the first quarter, with gains of 3.5% from the previous year. Of course, adding services leads to consumption of slightly faster than 5%, or two percentage points slower than disposable income. This growth was equivalent to price changes for taxable sales, leading to no growth in real sales. Nevertheless, this is broadly consistent with the 1.6% gain in retail employment, as hours worked probably declined slightly. Some rebound in taxable sales will be needed to ensure a continuation of current retail employment growth, however. Thus, taxable sales will need to expand more than 6% to be consistent with our employment projections for 1990. Such gains are possible, but require no further changes in savings rates. Another 6.5% gain in taxable sales currently is projected for 1991, although inflation rates will be slightly higher for that year.

Macon and Columbus experienced more than 4% gains in taxable sales from the previous year. Taxable sales were up 3.4% in Atlanta, just slightly behind the state but ahead of fourth quarter gains. Athens also experienced similar gains. Sales fell sharply in Augusta and were also down in Savannah and Albany

In June, the insured unemployment rate for Georgia had eased slightly to 1.4% from 1.6% in March. The Atlanta rate also eased to 1.2% from 1.4%. Nationwide, the insured unemployment rate currently is 2.4%. Some increases are expected because of the auto plant closing. At 5.9%, unemployment in Georgia during June was slightly less than a year ago. However, unemployment nationwide had improved even more. (In July, however, the national unemployment rate increased sharply. Georgia's July rate is not yet available.) A slight discrepancy still exists between the household and payroll measurements of employment, as the household surveys show gains of only 57.4 thousand, while payroll gains are 69.3 thousand. Both of these gains are considerably smaller than earlier in the year. Georgia's labor force is a surprising 1.7% ahead of a year ago, while national labor force gains have slowed to only 0.6% over the comparable period.

Athens has the lowest unemployment rate of all Georgia metro areas, although its 4.9% is up 0.4 percentage points from a year ago. This is the result of even stronger labor force growth than the 4.4% estimated gain in employment according to household surveys. In Augusta, sluggish growth in the labor force and modest gains in household employment lowered the unemployment rate to 5.1% in June from 5.8% a year ago. Unemployment also fell slightly to 5.4% over the year in Atlanta, as employment grew 2.2% and the labor force slowed. However, the 30.8 thousand estimated gain in employment by the household survey is less than the 43.6 thousand measured by establishments. Unemployment was also 5.4% in Macon, but this was up from 5.0% a year ago. Little employment growth has occurred in Macon during the past year according to the household survey. Savannah's unemployment rate dipped slightly to 5.7% during the year, with only moderate gains in employment and the labor force. Although the labor force fell nearly 3% in Columbus, employment fell even faster. Therefore, unemployment grew to 6.7% from 5.9% during the past year. Albany continues to have the highest unemployment rate, but employment grew nearly 1.5%, causing a drop in the unemployment rate from 8.4% to 7.5%.

The payroll employment estimates for Albany are generally consistent with the household surveys in showing modest employment growth. Construction is soft and textile employment continues to fall, but gains in food processing more than offset this weakness. (Albany has candy and beverage production). The services sector also is expanding about 4%, but most of the employment gains are in government. Thus, the gains in Albany may not be sustained.

Payroll employment growth in Athens is strong either with the establishment or household estimates. Construction employment is up strongly, but so is employment growth. Weakness in textiles and apparel account for the one weak area in the Athens economy. About half the employment growth is in the trade sector, which

is too much to be sustained with such modest gains in taxable sales. Strong growth in federal government employment also cannot be sustained. Nevertheless, the Athens economy is showing significant gains that will be slowed, but not stopped, by the state's recession.

Payroll employment continues to be expanding much more vigorously than household estimates for Augusta. In manufacturing, gains are in durable goods and the textile and apparel areas. Construction is unsustainably strong, accounting for 25% of all job gains in the past year. Retail trade also is strong, but recent sluggishness in taxable sales suggests that this cannot be maintained. Strong gains in the service economy also are developing, while the growth in government remains modest. Apartment construction is nonexistent, but single family permits are slightly ahead of the previous year. Nonresidential contracts have begun to ease following a 1989 surge. Despite strong declines in taxable sales, department store sales remain strong after adjustment for inflation. On balance, Augusta cannot sustain current employment gains, but some growth appears likely during the next two years.

Columbus probably already is in recession. Durable manufacturing continues to expand, but textile employment is off sharply. Construction and transportation services have weakened significantly. Despite this weakness, retail and wholesale trade are up significantly. Even the modest gains in taxable sales cannot justify this rate of employment growth. The finance sector has weakened significantly while services are growing modestly. The government sector also is growing slowly, but the 3.2% gain in state and local payrolls is inconsistent with virtually no growth in employment. No apartment activity has occurred this year, while single family permits are off significantly. However, a spurt in nonresidential construction contracts during the winter may aid the construction sector in the months ahead. Initial unemployment claims have increased significantly during the past few months, reflecting the developing weakness in manufacturing. Little employment growth is expected in Columbus during the next two years.

Although Macon's economy also is slowing according to payroll employment estimates, employment has gained more there than in the household estimates. Weakness in food processing accounts for much of the weakness in manufacturing employment. However, strong gains in durable manufacturing have ended. Construction and transportation services are unsustainably strong, but trade employment is consistent with recent sluggish gains in taxable sales. Government, which is heavily concentrated in Macon, has showed little growth. Some declines in federal employment should be expected as defense contracts. Initial unemployment claims have increased dramatically in recent months. However, housing permits continue to grow while nonresidential contracts have established a substantial backlog. Macon should continue to grow this year, but could stall next year, even as the state resumes its growth.

Weakness in Savannah's taxable sales must be related to tourist activity, as employment gains are satisfactory regardless of the measure used. Durable goods manufacturing is off in both wood products and transportation equipment (mainly business aircraft). However, strong gains in the paper and chemicals industries offset that weakness. Construction also is strong, as the Union Camp facility is being remodeled. These gains will be sustained for another year, and then some other opportunity needs to develop for those construction workers (one-third of employment gains are in construction). Strength in the trade sector is inconsistent with the growth of taxable sales. The finance and service sectors continue to grow moderately while government payrolls are growing in line with activity in Savannah. Initial claims have rebounded in recent months while apartment construction has vanished. Single family activity also is surprisingly weak. Strong gains in nonresidential construction contracts insure construction employment for another year. Savannah should continue to record modest employment gains through this recessionary period for Georgia.

Fixed rate mortgages probably will increase to 10.5% by the fall because of the oil crisis. This will further slow an already weak housing sector in Georgia. Adjustable rate mortgages, however, should show little change. As a result, home buyers should serious consider the adjustable rate mortgage at this time. Just before the oil shock, mortgage rates had fallen .23 percentage points in the past year nationwide to an effective rate of 10.17%. The purchase price had increased by only $600 to $142.8 thousand. In Atlanta, the effective rate had fallen by .55 points to 9.90%. Housing prices had surged by $22,700 to $165.8 thousand, although much of this was the result of reduced financing for smaller homes.

For the past fiscal year, Georgia's revenues grew a surprisingly weak 11.6%. This was 1.6 percentage points below our estimates and more than 3 percentage points less than the governor had estimated and distributed. This is a revenue shortfall of slightly more than $250 million. All the reserves have now been exhausted.

Revenue growth almost certainly will fall below 4% next year following the food tax exemption in September. As the governor's budget assumed 5.1%, this will be an accumulated shortfall of more than $330 million for the two years.

Even before the withdrawal of some food items from the sales tax, total receipts in the spring were up only 5.6% from the previous year. Gains in previous quarters were 10.8%, 16.1%, 15.1%, 12.5%, and 13.3%. For June, however, the gains were a more satisfactory 11.6%. However, refund timings during the second quarter distort revenue flows on a monthly basis. Following the 4% revenue gains projected for this year, revenue should increase 7% in the following fiscal year in the absence of further reductions in the tax base.

For two of the three months, sales tax comparisons were with those when the higher rates were in effect. Therefore, the 14.7% gain from the previous year for the quarter was satisfactory. Sales taxes were up 7.9% in June. These gains compare with increases of 36.1%, 37.7%, 30.9%, 21.8%, and 3.7% in previous quarters. Sales taxes were up 4.1% for all state and local governments. This is slower than the 6.9%, 6.8%, 7.0%, 6.5% and 6.7% in previous quarters. Even as sales taxes return toward normal, personal income taxes are slipping, up only 1.7% for the quarter. Previously, gains were 3.3%, 7.1%, 8.2%, 18.9%, and 17.4%. Nationwide the gain was a similarly anemic 2.4%. Corporate tax accruals were down 4.9% for the quarter from the previous year. This was smaller than the 25% plunge in the winter but more than the 0.9% fall decline or the gain of 0.3% last summer. All state and local governments showed a corporate decline of 15.1%. This compares with declines of 13.5%, 21.5%, 16.1% and 5.6%. Even though Georgia tax collections are far below anticipations, they currently compare favorably with the slow tax collections in other states.

SUMMARY OF OUTLOOK

If the national economy remained robust, the spring dip in Georgia's economy probably would not have generated into a recession. With the oil shock shaking the national economy, however, recovery from that dip will be delayed until early next year. For that reason, the Georgia economy appears to have fallen into a mild recession during the spring and should continue to experience declining employment opportunities until early next year. Unemployment will rise, and unemployment compensation will be paid out more rapidly than the dwindling workforce will be paying in. However, no serious problems with that compensation fund are foreseen.

Nondurable manufacturing appears to be the largest contributor to that recession although construction transportation equipment, manufactured construction materials, retail and wholesale trade, and the financial services sectors all will be reducing their workforces over the next six to nine months. Reduced federal employment following the census and some cutbacks in defense personnel also will add to the weakness.

Because of the revenue shortfall problems, state and local government payrolls will not be growing as rapidly as in recent years. A fall-off in demand for temporary workers also will prevent much employment growth from developing in business services. However, expansion in communications, some growth in health and personal services, and moderate gains in electronics and food processing should prevent the economy from spiralling downward. Also, no further deterioration in durable manufacturing should follow the Lakewood auto plant shutdown.

Indeed, although employment levels will be no higher early next year than during this year's first quarter, gains in construction should resume once the national recession slows inflationary pressures and reduces interest rates. Enough spending power exists in Georgia households to reignite retail activity early next year (although this Christmas looks a little spooky at this time). The finance sector should also right itself early in the year while the service economy should continue to grow throughout this mild recession. For 1991, job gains should average nearly 50,000, as activity begins at zero a gradually grows to nearly 100,000 from previous year levels by the end of that year.

Although performing slightly better than the nation, Georgia's personal income should slow to only a 7% gain in 1990. With inflation accelerating from 4% in Georgia for 1989 to 4.5% in 1990, real spendable incomes will be increasing about a half percentage point less than in the previous year. Farm incomes have rebounded strongly and are showing their best gains of the decade. Further modest increases currently are projected for next year. They will not be aware of a recession. All sectors except the military are expected to show some income gains during the next two years. However, construction and manufacturing will continue expand slowly. Services will continue to expand more rapidly than other sectors, but the gains will be smaller than in previous years.

Gross state product according to our indicators is increasing only 1.5% this year and should grow slightly less than 1% in 1991. Such weakness in employment opportunities will continue to restrain population flows. Although Georgia's population expanded 1.5% in 1989, gains of 1.3% and 1.2% respectively are anticipated for 1990 and 1991.

Despite positive gains in employment and state product during the two years, part of the period is one of recession because employment is expected to decline for three consecutive quarters beginning last spring. Also, quarterly estimates of state product would show declines beginning within the second quarter and continuing into the early months of 1991. A modest recovery then should ensue.

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ATLANTA'S ECONOMY BARELY AVOIDS RECESSION

RECENT CONDITIONS AND OUTLOOK

Unlike Georgia, where seasonally adjusted payroll employment fell 10,000 during the spring on the heels of weakness in construction, textiles, apparel, and retail sales, employment grew slightly in Atlanta. Of course, some of that relative strength is illusory. Auto employment grew in the spring, but the Lakewood closing in August will take 2200 off the employment rolls at that time. Even with some additions from the Lockheed consolidation, transportation equipment employment should continue to drift downward into next year. Except for machinery, Atlanta's manufacturing shows little growth potential this year or next. Even machinery should grow more slowly because of the national recession. However, nondurable manufacturing has expanded because of gains in food processing, printing, and even in apparel. These gains will vanish with the onslaught of the national recession, but will not seriously slow the Atlanta economy.

Further weakness is expected in construction, as apartment construction has virtually vanished and housing activity continues to weaken. Also, office and hotel construction remain excessive and should slow. Some public projects may partially offset this weakness, however.

Although trucking should weaken further, air transportation is expected to continue its growth as Delta strives for further international routes and as Eastern consolidates its operations around Atlanta. Communications will gain with the consolidation of ATT but will be hurt by the loss of Contel jobs as a result of that company's purchase by GTE. Modest gains also are expected by MCI, who purchased Telecor in an effort to build its presence here.

Wholesale trade has not been growing as rapidly in Atlanta as in Georgia and should not slump significantly as consumers remain wary. Most of the retail consolidation has taken place, although the Campeau debt problems still overhang Rich's operations. Although taxable sales were up only in line with inflation at 3.4% during the first quarter, some gains should develop later in the year. Underground has been a success and other restaurant activity appears to be gradually recovering from the retail slump that has engulfed the metro area during the past year. Although retail trade in the southeast was up only 3.9% from the previous year, that is better than the 2.1% gain nationwide. Large ticket items remain Atlanta's area of sluggish behavior. Total retail trade in Atlanta actually fell 2.7% during the first five months of this year (as compared to a 4.6% gain), but department store sales were up 8%, much more than the 6% gain for the nation.

In 1989, personal income and taxable sales grew more slowly than in the state. Savings rates rose by the same 2.5% as in the state. Thus, the reluctant Atlanta consumer had the capacity to spend more, but chose not to do so. With income projected to grow slightly faster than in Georgia, consumers will have the spending capacity to support employment gains in the trade sector of even more than the 1.5% and 1.7% gains projected for the next two years.

The finance and real estate sectors are consolidating in Atlanta, and further employment declines are expected. However, the insurance sector should continue to experience modest employment gains. As in the state, business services have weakened in recent months. Some rebound is expected late this year and early next year. Hotel

employment should expand as several new projects become staffed, but growth would have been stronger with the expansion of the World Congress Center. Health services continue to grow moderately, and should not be impacted by the developing recession in Georgia.

Government, however, will be impacted by Georgia's weakening economy. State and local payroll expansion should slow under revenue pressures. Indeed, even stronger declines may develop than currently projected for state employment. Federal payrolls will be falling as the nearly 4000 census workers are released during the next few months.

Although most of the sectors show the same strengths or weaknesses as in the remainder of Georgia, the modest strength in communications and the reduced concentration of textile and apparel companies will prevent the Atlanta economy from falling in to a recession. Even so, seasonally adjusted employment will fall slightly during the summer and show only modest gains in the fall.

According to Real Property Data, 1.9 million sq. ft. of retail space was added to the market during the past six months. Absorption was a satisfactory 2.6 million sq. ft., causing the vacancy rate to fall from 13% to 12% for the 59 million available sq. ft. of retail space. As expected, strip properties showed the highest vacancy rates at 18%. Midtown had the highest vacancy rates at 26% while the perimeter area showed the tightest retail market. Construction activity has slowed to 2.46 million sq. ft. under construction from 2.89 million sq. ft. three months ago.

Construction also has slowed in the office market with only 7.35 million under construction, down from 8.5 million three months ago. Moreover, only 58% of this square footage is vacant. Rental rates proposed for the construction buildings are $19.50. According to Real Property Data, absorption of 1.3 million square feet and a total leasing of more than 5.4 million square feet has had little impact on the 22% vacancy rate. Class A rental rates are now slightly more than $16 per square foot, which raises some questions about the earnings of the buildings under construction. About 94 million square feet of office space exists, with 46 million in class A space. High vacancy rates prevail in Gwinnett, Cumberland, and South Atlanta. Markets are tighter in northeast Atlanta, Roswell, and Decatur and are at the metro average in the mid-town and Buckhead areas.

Real Property Data shows 13.9% vacant space for industrial space in Atlanta, unchanged from the first quarter. An additional 3.3 million sq. ft. were added to the available stock but net absorption was only 1.1 million. Thus, industrial space continues to be excessive in Atlanta. Coldwell Banker, which only surveys space of more than 100,000 sq. ft. showed Atlanta's vacancy soaring by 1.1 percentage points to 7.9% This compares to vacancies at 6.5% for the United States. Only three of their 37 markets showed greater increases in vacancies than that.

Coldwell Banker shows much better vacancy conditions for Atlanta's office space. Their nationwide suburban vacancy rate decreased to 21.3%, while the downtown rate remained unchanged at 16.7%. In Atlanta, the downtown vacancy rate rose to 15.8% while the suburban rate fell to 19.3%. In the metro area, the rate fell from 19.7% to 18.7% in the latest quarter.

Except for a project in Clayton county, apartment construction came to a halt during the second quarter. Some of this weakness was an effort to use the permits that were issued during January to beat the handicap restriction provisions. Some multi-family activity will resume later this year. However, part of the slump is caused by continued high vacancy rates and the absence of financing. The vacancy rates are coming down, and rental rates should gradually increase. Nevertheless, little apartment activity is likely through next year.

By contrast, single family permits are the same as a year ago. However, further declines in housing activity are likely, especially as mortgage rates are likely to rise to 10.5% by the fall. A decline to less than 10% mortgage rates is likely next year. Our estimates show that population growth is sufficient to absorb the current construction of housing. No substantial reductions in prices are expected, but some patience in selling homes still is required. Because of the slump in single family homes, total permits are expected to fall 21% this year and remain depressed next year.

Taxable sales during the first quarter showed the most improvement from a year ago in Forsyth (16.8%), Henry(15.1%), and Coweta (10.1%). Barrow, Cherokee, and Paulding counties all experienced actual declines. Fulton county performed in line with the metro area, while Clayton county experienced the largest gain in total sales. Gwinnett's sales turned positive, but only marginally. Sales also are marginally positive in Cobb.

SUMMARY OF OUTLOOK

As of June, payroll employment in Atlanta was 43.6 thousand ahead of the previous year. Sluggish employment gains in the second half will lower this to a gain of 36.1 thousand for the year. Only 27,000 new jobs are expected to be created in 1991. Moreover, the composition of job growth suggests that less square footage of office space will be needed per job created. Manufacturing and construction are still declining but only by a small amount. Rather, the largest changes are in government, service, and finance payrolls. Although population gains should slow in the next two years, employment will slow faster than the labor force. Therefore, unemployment rates should rise to 5.6% in 1991.

These gains are enough to allow Atlanta's outlook to avoid the recession label. However, no employment growth is likely during the second half of this year. Only modest growth is likely next year. Some reductions in retail and construction activity have occurred to reflect this less exuberant environment. Nevertheless, caution must remain in retailing while further modest declines in construction activity, especially in industrial activity, are in order.

Atlanta is confronting the slowest growth it has experienced since the mid-1970s. No serious financial shake-out or plunging real estate prices are expected. In fact, Atlanta will continue to grow. Yet, the gains will be sluggish for the next two years.

Table 1

Georgia Wage & Salary Employment (Seasonally Adjusted) for 1987-89 with Forecasts through 1991

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1990

Description	Quarterly Seasonalized Data III 89	IV 89	I 90	II 90	June(P)	Annual Percentage Change 88/87	89/88	90/89	91/90	Annual Average 1987	1988	1989	1990(F)	1991(F)
1. MANUFACTURING	569.4	568.1	566.3	563.5	562.7	0.5	-1.1	-1.1	-0.6	571.2	574.3	568.1	561.7	558.3
2. DURABLE GOODS	220.6	218.8	216.7	217.2	216.8	0.9	-2.5	-1.6	-0.4	223.0	225.1	219.4	216.0	215.1
3. LUMBER AND WOOD	32.2	32.1	31.4	31.2	31.0	1.9	-5.5	-4.9	-1.0	33.9	34.6	32.7	31.1	30.8
4. FURNITURE AND FIXTURES	11.0	10.7	10.7	10.7	10.7	-5.7	-1.7	-3.1	-0.9	11.9	11.2	11.0	10.7	10.6
5. STONE, CLAY, AND GLASS	19.2	19.2	18.7	18.1	17.9	-2.1	-5.9	-6.6	-2.2	21.0	20.6	19.4	18.1	17.7
6. PRIMARY METAL INDUSTRY	15.2	15.2	15.4	15.2	15.3	-2.9	-2.0	0.0	-1.3	16.0	15.5	15.2	15.2	15.0
7. FABRICATED METAL	21.6	22.1	22.3	22.4	22.3	1.7	2.8	2.9	0.5	20.6	21.0	21.6	22.2	22.3
8. MACHINERY EXC ELECTRIC	28.9	29.4	29.7	29.3	28.9	4.1	7.0	1.7	-1.4	25.8	26.8	28.7	29.2	28.8
9. ELECTRIC & ELECTRONIC	32.2	31.9	33.0	33.6	33.5	2.9	2.6	3.8	2.4	30.4	31.3	32.1	33.3	34.1
10. TRANSPORTATION EQUIP	44.5	42.6	40.1	41.1	41.5	-2.4	-12.6	-6.3	-0.7	50.8	49.5	43.3	40.6	40.3
11. OTHER DURABLE GOODS	15.8	15.5	15.4	15.6	15.6	15.3	6.7	0.9	-0.6	12.6	14.5	15.5	15.6	15.5
12. NONDURABLE GOODS	348.8	349.4	349.6	346.3	345.9	0.3	-0.2	-0.9	-0.7	348.2	349.3	348.7	345.7	343.2
13. FOOD AND KINDRED	61.1	61.5	61.7	61.9	61.2	-1.6	2.3	0.4	0.8	60.7	59.7	61.1	61.3	61.8
14. TEXTILE MILL PRODUCTS	111.5	111.3	110.7	109.3	109.3	2.2	1.4	-1.9	-1.7	107.3	109.7	111.2	109.1	107.2
15. APPAREL & TEXTILE	63.5	63.1	62.9	61.8	61.8	-1.9	-5.0	-3.1	-2.4	68.4	67.1	63.8	61.8	60.3
16. PAPER & ALLIED PRODUCT	32.8	33.2	33.1	32.6	32.8	0.4	4.2	-0.2	-0.9	31.4	31.5	32.9	32.8	32.5
17. PRINTING & PUBLISHING	37.9	38.0	38.7	38.6	38.7	3.3	-2.4	2.5	0.5	37.5	38.7	37.8	38.7	38.9
18. CHEMICALS & ALLIED	19.4	19.9	19.7	19.7	19.8	0.4	0.7	1.5	1.0	19.2	19.3	19.4	19.7	19.9
19. OTHER NONDURABLE GOODS	22.6	22.4	22.8	22.4	22.3	-1.7	-2.8	-1.5	1.3	23.7	23.3	22.6	22.3	22.6
20. TOTAL NONMANUFACTURING	2387.4	2406.0	2454.9	2447.7	2444.2	4.2	3.2	2.8	2.2	2210.6	2303.7	2377.3	2444.2	2496.8
21. MINING	8.7	8.7	8.8	8.7	8.7	4.3	-1.2	-0.6	-0.7	8.5	8.9	8.8	8.7	8.6
22. CONSTRUCTION	146.4	147.4	150.1	146.4	145.4	-1.5	-2.2	-0.4	-0.8	152.2	149.9	146.5	145.9	144.7
23. TRANSP, COMM & PUB UT	183.5	186.1	188.2	190.1	190.2	3.9	0.9	3.1	2.1	175.4	182.3	183.9	189.6	193.6
24. TRANSPORTATION	111.8	114.0	116.3	117.1	116.9	4.8	0.9	4.4	1.9	106.0	111.1	112.1	117.0	119.2
25. COMMUNICATION	44.6	44.8	44.4	45.5	45.8	2.5	1.1	1.0	3.5	43.1	44.2	44.6	45.1	46.7
26. UTILTIES	27.0	27.2	27.5	27.5	27.5	2.6	0.4	1.3	0.7	26.3	27.0	27.2	27.5	27.7
27. WHOLESALE & RETAIL TRADE	753.9	754.8	773.0	770.2	768.4	4.5	2.5	2.0	1.7	702.6	734.3	752.3	767.7	781.1
28. WHOLESALE TRADE	223.6	225.3	229.9	230.5	230.2	6.2	3.6	3.1	1.1	203.0	215.6	223.3	230.1	232.7
29. DURABLE GOODS	146.4	148.4	150.7	150.3	150.4	7.4	3.7	2.8	0.9	131.4	141.1	146.3	150.4	151.7
30. NONDURABLE GOODS	77.2	76.9	79.2	80.2	79.8	4.0	3.4	3.6	1.6	71.6	74.4	77.0	79.7	81.0
31. RETAIL TRADE	530.3	529.5	543.1	539.7	538.2	3.8	2.0	1.6	2.0	499.6	518.8	529.1	537.6	548.4
32. FINANCE, INSUR & RL EST	164.3	163.0	164.6	163.1	162.9	3.7	1.4	-0.2	0.9	155.4	161.2	163.5	163.1	164.5
33. FINANCE	77.2	76.2	75.6	75.1	75.3	*	0.8	-2.2	-0.3	70.2	76.2	76.9	75.2	75.0
34. INSURANCE	54.4	54.9	56.0	55.6	55.4	5.0	2.6	2.4	2.3	50.3	52.9	54.2	55.5	56.8
35. REAL ESTATE	32.7	32.0	33.0	32.4	32.2	*	1.0	0.1	0.9	34.9	32.0	32.4	32.4	32.7
36. SERVICES	612.7	625.9	640.3	634.3	632.2	6.1	6.4	4.2	3.5	539.9	573.1	609.5	634.9	657.1
37. HOTELS & OTHER LODGING	42.8	43.9	45.4	45.2	45.0	2.6	6.0	6.3	3.8	39.1	40.1	42.5	45.2	46.9
38. BUSINESS SERVICES	140.6	142.5	148.7	146.5	145.0	*	7.4	4.9	3.5	133.7	129.4	139.0	145.8	150.9
39. HEALTH SERVICES	147.2	149.6	153.2	154.5	154.6	6.8	5.8	5.8	5.4	129.5	138.3	146.2	154.7	163.1
40. GOVERNMENT	518.0	520.0	529.9	534.8	536.4	3.7	3.8	4.2	2.4	476.7	494.2	512.8	534.3	547.2
41. FEDERAL GOVERNMENT	100.7	100.7	102.7	106.8	107.3	0.3	1.3	3.8	-3.0	99.3	99.5	100.9	104.7	101.6
42. DEFENSE	37.0	37.0	36.8	36.4	36.4	-4.7	2.6	-1.9	-3.6	37.8	36.0	37.0	36.3	35.0
43. OTHER FEDERAL	63.7	63.6	65.9	70.4	70.9	3.3	0.6	7.1	-2.6	61.5	63.5	63.9	68.4	66.6
44. STATE & LOCAL GOVERNMENT	417.4	419.3	427.2	428.0	429.1	4.6	4.4	4.3	3.7	377.4	394.6	411.9	429.6	445.6
45. STATE GOVERNMENT	125.4	127.9	129.1	130.1	130.3	4.5	6.4	5.0	4.3	111.8	116.8	124.3	130.5	136.1
46. STATE EDUCATION	50.5	51.5	51.4	51.7	51.4	3.5	6.2	3.8	3.3	45.3	46.9	49.8	51.7	53.4
47. OTHER STATE GOVT	75.0	76.4	77.8	78.4	78.9	5.2	6.4	5.8	4.9	66.5	70.0	74.5	78.8	82.7
48. LOCAL GOVERNMENT	291.9	291.5	298.0	297.9	298.9	4.6	3.6	4.0	3.5	265.6	277.8	287.6	299.1	309.5
49. LOCAL EDUCATION	157.2	154.6	157.3	157.1	158.7	4.5	4.6	3.4	3.2	140.0	146.3	153.0	158.3	163.4
50. OTHER LOCAL GOVT	134.7	136.8	140.7	140.8	140.2	4.7	2.4	4.6	3.8	125.6	131.5	134.6	140.8	146.1
51. TOTAL NONAG. PAYROLL	2956.8	2974.2	3021.3	3011.2	3006.9	3.5	2.3	2.1	1.6	2781.8	2878.0	2945.4	3005.9	3055.1
52. CIVILIAN UNEMPL. RATE	5.7	5.6	5.1	5.1	5.9					5.5	5.9	5.6	5.5	5.8

Source : Data (in 1000's) seasonally adjusted by Forecasting Center.
June(P) is seasonally adjusted preliminary June employment. 1990 (F), and 1991(F) are forecasted values.
* Beginning in 1988 industry definitions were changed for these sectors. Therefore, year to year % changes from 1987 - 1988 are not consistent.

Table 2

Georgia Personal Income for 1987-89 with Forecasts through 1991

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1990

Description Quarterly Personal Income	Quarterly Data II 89	 III89	 IV89	 I90	Annual percent change 87/86	 88/87	 89/88	 90/89(F)	 90/91(F)	Annual Average 1987	 1988	 1989	 1990(F)	 1991(F)
By Place of Residence														
1. Total Personal Income	103294	104320	105990	108745	8.7	8.1	7.2	7.0	7.2	89575	96816	103760	110991	118964
2. Nonfarm Personal Income	101715	103262	104646	106745	8.7	8.0	7.2	6.7	7.3	88407	95499	102374	109265	117209
3. Farm Personal Income	1579	1058	1345	2001	4.8	12.6	5.3	24.5	1.7	1169	1317	1386	1726	1755
Derivation of Income														
4. Total Earnings	79400	79964	81038	83297	9.0	7.8	5.4	6.3	6.8	70154	75616	79695	84734	90506
5. less: SSI Contribution	4811	4863	4950	5173	8.0	12.1	9.4	8.3	7.8	3953	4432	4847	5250	5657
6. plus: Residence Adj	-159	-164	-152	-163	-0.5	-27.8	-5.2	8.8	7.5	-233	-168	-159	-173	-186
7. equals: Net Earnings	74429	74938	75937	77960	9.1	7.7	5.2	6.2	6.7	65968	71016	74689	79311	84663
8. plus: Div, Int, Rent	15420	15735	16096	16275	9.4	10.3	15.7	7.8	7.7	12157	13403	15510	16724	18013
9. plus: Transfer Paymnts	13445	13647	13957	14510	5.8	8.3	9.4	10.3	8.9	11450	12396	13561	14956	16288
10. State UI Benefits	262	242	249	269	1.5	-5.9	15.2	13.8	3.2	230	216	249	283	292
11. Tnsfrs less SUIB	13184	13405	13708	14241	5.9	8.5	9.3	10.2	9.0	11221	12180	13312	14673	15996
By Place of Work														
12. Components of Earnings														
13. Wages and Salaries	65074	65981	66459	67665	8.8	7.8	5.2	5.6	7.3	57740	62225	65441	69077	74140
14. Other Labor Income	6199	6305	6458	6651	9.9	7.5	7.6	8.8	7.1	5415	5820	6261	6814	7295
15. Proprietors Income	8127	7679	8122	8981	10.2	8.2	5.6	10.6	2.6	6999	7572	7993	8843	9071
16. Farm	1426	903	1188	1844	4.7	14.5	5.7	26.7	0.9	1018	1166	1232	1561	1575
17. Nonfarm	6700	6775	6934	7137	11.2	7.1	5.5	7.7	2.9	5981	6407	6761	7282	7496
Earnings By Industry														
18. Farm	1579	1058	1345	2001	4.8	12.6	5.3	24.5	1.7	1169	1317	1386	1726	1755
19. Nonfarm	77821	78906	79694	81296	9.1	7.7	5.4	6.0	6.9	68985	74300	78309	83008	88751
20. Private	64552	65401	65932	67124	9.3	7.7	4.7	5.6	7.1	57592	62009	64920	68534	73426
21. Ag Svc, Fish, Etc	331	349	344	352	21.6	10.6	-0.1	6.9	3.6	304	336	336	359	372
22. Mining	300	309	308	313	8.4	6.8	0.4	4.1	4.7	286	305	307	319	334
23. Construction	4617	4625	4588	4686	2.6	2.7	-3.5	1.6	4.1	4681	4807	4640	4712	4907
24. Manufacturing	14631	14743	14515	14504	6.4	4.0	1.3	0.5	4.9	13869	14425	14611	14680	15396
25. Nondurable Goods	8318	8330	8269	8242	7.0	4.7	2.6	0.4	4.7	7710	8074	8282	8313	8707
26. Durable Goods	6313	6413	6246	6262	5.8	3.1	-0.3	0.6	5.1	6159	6351	6329	6367	6689
27. Trans and Pub Utils	7193	7006	7217	7382	10.1	6.1	2.1	7.2	7.3	6562	6962	7109	7617	8173
28. Wholesale Trade	7444	7653	7605	7835	8.3	12.2	7.3	6.8	6.7	6258	7025	7534	8046	8584
29. Retail Trade	7790	7775	7798	8112	8.4	6.9	3.5	5.8	7.6	7022	7510	7771	8221	8846
30. Fin, Ins, and RE	5194	5376	5458	5183	12.3	9.4	4.4	1.0	6.9	4600	5031	5253	5307	5674
31. Services	17053	17566	18099	18758	14.0	11.4	11.2	11.0	9.7	14012	15610	17362	19273	21140
32. Gvt and Gvt Entprs	13268	13506	13762	14172	7.9	7.9	8.9	8.1	5.9	11393	12290	13389	14474	15325
33. Federal, Civilian	3120	3147	3165	3322	5.9	8.5	9.7	9.2	1.4	2630	2855	3132	3421	3469
34. Military	1615	1662	1662	1688	3.5	2.7	2.3	0.8	-2.1	1564	1606	1642	1655	1621
35. State and Local	8533	8697	8935	9162	9.7	8.8	10.0	9.1	8.9	7199	7831	8615	9398	10235
36. % of US Nonfarm	2.38	2.38	2.37	2.38						2.38	2.39	2.38	2.39	2.40
37. Population						1.8	1.5	1.3	1.2	6228	6339	6436	6519	6598

Source : Bureau of Economic Analysis
1990(F) and 1991(F) are forecasted values.

Table 3

Atlanta Wage & Salary Employment (Seasonally Adjusted) for 1987-89 with Forecasts through 1991

Georgia State University
College of Business Administration
Economic Forcasting Center
August 1990

Description	Quarterly Seasonalized Data III 89	IV 89	I 90	II 90	June(P)	Annual Percentage Change 88/87	89/88	90/89	91/90	Annual Average 1987	1988	1989	1990(F)	1991(F)
1. MANUFACTURING	179.5	177.8	178.1	178.8	178.6	-2.1	-3.6	-0.5	-0.3	188.7	184.7	178.1	177.3	176.8
2. DURABLE GOODS	89.7	88.0	87.3	87.6	87.3	-2.9	-7.0	-2.8	-1.3	98.3	95.5	88.8	86.3	85.2
3. LUMBER AND WOOD	3.7	3.7	3.5	3.4	3.3	-2.2	-22.3	-11.3	-5.9	5.0	4.9	3.8	3.4	3.2
4. FURNITURE AND FIXTURES	3.9	3.9	3.9	3.8	3.7	-3.1	-4.7	-3.4	-2.6	4.3	4.1	3.9	3.8	3.7
5. STONE, CLAY, AND GLASS	8.5	8.5	8.8	8.4	8.4	-5.2	-4.8	-2.5	-2.4	9.7	9.2	8.7	8.5	8.3
6. PRIMARY METAL INDUSTRY	6.8	6.7	6.9	6.7	7.0	-6.6	2.8	-0.3	-1.5	7.0	6.5	6.7	6.7	6.6
7. FABRICATED METAL	9.3	9.4	9.4	9.5	9.5	0.1	-1.7	-0.0	-1.1	9.5	9.6	9.4	9.4	9.3
8. MACHINERY EXC ELECTRIC	10.6	11.0	11.4	11.5	11.5	-0.8	8.0	7.6	1.7	10.0	9.9	10.7	11.5	11.7
9. ELECTRIC & ELECTRONIC	15.6	15.7	15.9	15.7	15.6	2.7	-1.7	0.1	-1.3	15.4	15.8	15.6	15.6	15.4
10. TRANSPORTATION EQUIP	23.9	21.7	20.1	20.8	21.1	-9.5	-20.9	-11.6	-2.5	31.8	28.7	22.7	20.1	19.6
11. OTHER DURABLE GOODS	7.3	7.4	7.4	7.4	7.3	18.3	7.7	1.3	1.4	5.7	6.7	7.2	7.3	7.4
12. NONDURABLE GOODS	89.8	89.8	90.8	91.2	91.3	-1.3	0.1	1.9	0.7	90.4	89.2	89.3	91.0	91.6
13. FOOD AND KINDRED	20.5	20.3	20.8	21.2	21.2	-3.5	0.4	3.4	1.9	21.0	20.3	20.4	21.1	21.5
14. TEXTILE MILL PRODUCTS	7.9	7.9	7.8	7.6	7.6	2.8	3.1	-2.9	-2.6	7.4	7.6	7.8	7.6	7.4
15. APPAREL & TEXTILE	9.7	9.6	9.8	10.0	10.0	-8.8	-7.4	1.7	0.0	11.5	10.5	9.7	9.9	9.9
16. PAPER & ALLIED PRODUCT	9.7	9.7	9.5	9.5	9.4	2.4	7.1	-3.3	-2.1	8.9	9.1	9.7	9.4	9.2
17. PRINTING & PUBLISHING	24.3	24.2	24.8	24.7	24.7	3.6	0.6	2.8	0.8	23.0	23.1	24.0	24.7	24.9
18. CHEMICALS & ALLIED	9.5	9.9	9.9	9.9	10.1	1.4	3.1	5.0	3.0	9.1	9.2	9.5	10.0	10.3
19. OTHER NONDURABLE GOODS	8.2	8.1	8.3	8.2	8.3	-8.1	-6.0	2.5	1.2	9.4	8.6	8.1	8.3	8.4
20. TOTAL NONMANUFACTURING	1279.5	1287.8	1313.8	1312.5	1311.4	4.2	3.0	2.9	2.1	1187.9	1237.7	1275.1	1312.0	1339.5
21. MINING	1.3	1.2	1.2	1.2	1.2	3.0	-11.9	-7.7	-5.0	1.4	1.5	1.3	1.2	1.1
22. CONSTRUCTION	67.4	67.3	69.4	68.5	68.4	-2.6	-4.1	0.4	-1.6	72.9	71.0	68.1	68.4	67.3
23. TRANSP, COMM & PUB UT	121.3	123.5	125.4	127.0	126.8	4.4	0.5	4.7	2.2	115.2	120.3	120.9	126.6	129.4
24. TRANSPORTATION	76.4	78.2	79.9	80.2	80.5	4.7	-0.4	5.7	2.4	72.9	76.3	76.0	80.3	82.2
25. COMMUNICATION & UTILITY	44.9	45.3	45.5	46.8	46.3	4.0	2.0	3.1	1.9	42.3	44.0	44.9	46.3	47.2
26. WHOLESALE & RETAIL TRADE	413.6	412.4	419.6	419.0	418.9	4.4	2.6	1.5	1.7	384.0	401.1	411.7	417.9	424.9
27. WHOLESALE TRADE	144.1	144.8	146.9	146.9	146.7	5.0	3.3	1.7	0.8	132.6	139.2	143.9	146.3	147.4
28. DURABLE GOODS	104.3	105.1	106.2	105.6	106.0	6.4	4.3	1.7	0.5	93.6	99.6	103.9	105.6	106.1
29. NONDURABLE GOODS	39.9	39.7	40.7	41.3	40.7	1.8	0.8	1.8	1.5	39.0	39.7	40.0	40.7	41.3
30. RETAIL TRADE	269.5	267.6	272.7	272.1	272.2	4.1	2.3	1.4	2.2	251.5	261.9	267.9	271.6	277.5
31. FINANCE, INSUR & RL EST	106.2	106.0	106.6	105.8	105.6	4.4	2.3	-0.0	0.3	99.1	103.5	105.8	105.8	106.1
32. FINANCE	45.5	45.0	44.7	44.5	44.6	*	1.2	-1.8	-0.7	40.5	44.8	45.4	44.6	44.3
33. INSURANCE	38.2	38.5	39.2	38.8	38.9	6.7	3.1	2.2	1.8	34.6	36.9	38.1	38.9	39.6
34. REAL ESTATE	22.5	22.5	22.7	22.4	22.2	*	3.0	-0.2	-0.4	23.9	21.7	22.3	22.3	22.2
35. SERVICES	358.7	364.8	374.5	371.9	370.9	5.0	6.0	4.8	3.8	320.8	336.7	356.8	373.9	388.2
36. HOTELS & OTHER LODGING	23.7	24.0	24.3	24.3	24.4	0.2	0.6	2.8	3.3	23.5	23.5	23.6	24.3	25.1
37. BUSINESS SERVICES	100.6	101.1	104.5	102.5	101.8	*	7.1	3.3	3.0	97.7	92.8	99.4	102.6	105.7
38. HEALTH SERVICES	66.6	67.6	69.4	70.3	70.3	6.7	5.5	6.3	5.7	58.8	62.7	66.1	70.3	74.3
39. GOVERNMENT	211.0	212.6	217.1	219.0	219.5	4.7	3.4	3.7	2.0	194.5	203.6	210.5	218.2	222.5
40. FEDERAL GOVERNMENT	42.6	42.7	43.3	45.2	45.9	3.4	-0.9	2.1	-3.4	42.0	43.5	43.1	44.0	42.5
41. DEFENSE	6.1	6.2	6.0	5.8	5.8	-3.0	1.9	-7.1	-10.5	6.2	6.0	6.1	5.7	5.1
42. OTHER FEDERAL	36.5	36.6	37.3	39.4	40.0	4.5	-1.3	3.6	-2.3	35.8	37.5	37.0	38.3	37.4
43. STATE & LOCAL GOVERNMENT	168.4	169.9	173.8	173.9	173.7	5.0	4.5	4.1	3.3	152.5	160.2	167.4	174.2	180.0
44. STATE GOVERNMENT	44.5	45.8	46.6	46.7	47.1	4.8	8.1	6.3	4.1	38.9	40.7	44.0	46.8	48.7
45. STATE EDUCATION	16.0	16.6	17.0	17.2	17.2	4.8	12.4	9.6	3.5	13.3	14.0	15.7	17.2	17.8
46. OTHER STATE GOVT	28.5	29.1	29.6	29.5	29.8	4.8	5.8	4.4	4.4	25.6	26.8	28.3	29.6	30.9
47. LOCAL GOVERNMENT	123.9	124.1	127.2	127.1	127.1	5.1	3.3	3.3	3.1	113.6	119.4	123.3	127.4	131.3
48. LOCAL EDUCATION	61.8	61.1	62.8	63.2	63.0	3.3	4.1	2.9	2.5	56.9	58.8	61.2	63.0	64.6
49. OTHER LOCAL GOVT	62.1	63.0	64.4	64.4	64.0	7.0	2.6	3.6	3.6	56.7	60.6	62.2	64.4	66.7
50. TOTAL NONAG. PAYROLL	1459.0	1465.6	1490.9	1491.6	1490.0	3.3	2.2	2.5	1.8	1376.6	1422.4	1453.2	1489.3	1516.3
51. CIVILIAN UNEMPL. RATE	5.2	5.2	4.7	4.8	5.4					4.7	5.2	5.2	5.3	5.6

Source : Data (in 1000's) seasonally adjusted by Forecasting Center.
June(P) is seasonally adjusted preliminary June employment. 1990 (F), and 1991(F) are forecasted values.

* Beginning in Jan. 1988 industry definitions were changed for these sectors. Therefore, year to year % changes from 1987 - 1988 are not consistent.

Table 4

Atlanta Personal Income for 1985-88 with Forecasts through 1991

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1990

Description Annual Personal Income	Annual Average 1985	1986	1987	1988	1989(F)	1990(F)	1991(F)	Annual Percentage Change 86/85	87/86	88/87	89/88(F)	90/89(F)	91/90(F)
By Place of Residence													
1. Total Personal Income	38186	42124	46357	50354	53824	57700	61984	10.3	10.1	8.6	6.9	7.2	7.4
2. Nonfarm Personal Income	38070	41971	46235	50207	53670	57521	61806	10.2	10.2	8.6	6.9	7.2	7.4
3. Farm Personal Income	116	153	123	147	154	179	178	32.0	-19.8	19.5	5.1	16.2	-0.6
Derivation of Income													
4. Total Earnings	32180	35798	39467	42846	44911	47882	51317	11.2	10.3	8.6	4.8	6.6	7.2
5. less: SSI Contribution	1850	2060	2245	2528	2752	2999	3236	11.3	8.9	12.6	8.9	9.0	7.9
6. plus: Residence Adj	-866	-1038	-1190	-1288	-1145	-1129	-1166	19.8	14.7	8.2	-11.1	-1.4	3.3
7. equals: Net Earnings	29463	32699	36032	39030	41014	43754	46915	11.0	10.2	8.3	5.1	6.7	7.2
8. plus: Div, Int, Rent	5218	5619	6277	6926	8000	8640	9297	7.7	11.7	10.3	15.5	8.0	7.6
9. plus: Transfer Paymnts	3505	3805	4048	4397	4811	5306	5773	8.6	6.4	8.6	9.4	10.3	8.8
By Place of Work													
10. Components of Earnings													
11. Wages and Salaries	27223	30082	33149	36056	37683	40018	43028	10.5	10.2	8.8	4.5	6.2	7.5
12. Other Labor Income	2529	2848	3163	3401	3660	4000	4304	12.6	11.1	7.5	7.6	9.3	7.6
13. Proprietors Income	2428	2868	3156	3388	3568	3864	3984	18.1	10.0	7.4	5.3	8.3	3.1
14. Farm	106	144	113	137	144	167	165	35.2	-21.3	21.2	5.1	16.0	-1.2
15. Nonfarm	2322	2724	3042	3251	3424	3697	3819	17.4	11.7	6.9	5.3	8.0	3.3
Earnings By Industry													
16. Farm	116	153	123	147	154	179	178	32.0	-19.8	19.5	5.1	16.2	-0.6
17. Nonfarm	32064	35645	39345	42699	44757	47703	51139	11.2	10.4	8.5	4.8	6.6	7.2
18. Private	28094	31352	34600	37499	39124	41617	44680	11.6	10.4	8.4	4.3	6.4	7.4
19. Ag Svc, Fish, Etc	103	115	135	149	148	157	162	11.7	17.4	9.7	-0.5	6.1	3.0
20. Mining	86	52	65	70	63	61	61	-39.2	23.9	7.7	-10.3	-3.0	0.4
21. Construction	2212	2540	2693	2805	2653	2717	2807	14.9	6.0	4.1	-5.4	2.4	3.3
22. Manufacturing	4822	5322	5665	5830	5751	5818	6115	10.4	6.4	2.9	-1.4	1.2	5.1
23. Nondurable Goods	2005	2228	2420	2604	2680	2766	2934	11.1	8.6	7.6	2.9	3.2	6.1
24. Durable Goods	2817	3095	3245	3226	3071	3053	3181	9.9	4.9	-0.6	-4.8	-0.6	4.2
25. Trans and Pub Utils	3784	4101	4604	4885	4968	5405	5805	8.4	12.3	6.1	1.7	8.8	7.4
26. Wholesale Trade	4320	4586	4955	5591	5982	6305	6709	6.2	8.0	12.8	7.0	5.4	6.4
27. Retail Trade	3407	3692	4043	4338	4503	4755	5126	8.4	9.5	7.3	3.8	5.6	7.8
28. Fin, Ins, and RE	2555	3021	3409	3766	3966	4013	4266	18.2	12.8	10.5	5.3	1.2	6.3
29. Services	6805	7921	9031	10065	11152	12446	13690	16.4	14.0	11.4	10.8	11.6	10.0
30. Gvt and Gvt Entprs	3970	4293	4744	5200	5633	6086	6458	8.1	10.5	9.6	8.3	8.0	6.1
31. Federal, Civilian	1106	1122	1217	1348	1415	1521	1537	1.4	8.5	10.8	5.0	7.5	1.0
32. Military	236	260	271	279	283	280	273	10.2	4.2	3.0	1.6	-1.1	-2.6
33. State and Local	2628	2912	3257	3574	3935	4285	4649	10.8	11.9	9.7	10.1	8.9	8.5
34. % of GA Nonfarm	47.0	51.6	52.3	52.6	52.5	52.6	52.7						
35. Population	2469	2569	2656	2737	2802	2864	2921	4.1	3.4	3.0	2.4	2.2	2.0

Source : Bureau of Economic Analysis
1989(F), 1990(F) and 1991(F) are forecasted values.

TABLE 5

METRO ATLANTA HOUSING PERMITS
FOR 1987 THROUGH 1989 WITH FORECASTS THROUGH 1991

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1990

COUNTY	III89		IV89		I90		II90		1987		1988		1989		1990(F)		1991(F)	
	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI	SINGLE	MULTI
BARROW	70	0	44	0	55	0	87	0	140	0	253	10	229	48	285	10	295	10
BUTTS	28	0	14	0	23	0	24	4	96	0	128	6	103	0	85	10	100	10
CHEROKEE	302	2	261	3	325	9	286	0	1869	94	1700	43	1254	17	1120	20	1170	20
CLAYTON	301	237	260	296	221	288	319	154	1458	1834	1475	1319	1113	1199	1070	650	1020	680
COBB	833	716	612	30	769	70	712	8	5747	2969	4231	1567	3000	1371	2840	220	2780	410
COWETA	204	63	197	120	224	2	233	0	825	0	873	53	847	231	865	20	900	20
DEKALB	632	1446	467	238	552	668	525	63	2820	2363	2940	4589	2281	2653	2130	1100	2100	760
DOUGLAS	135	7	106	264	137	4	189	0	1048	303	895	647	551	904	580	20	635	50
FAYETTE	242	0	187	202	244	2	241	6	767	0	1221	7	955	368	950	30	1070	50
FORSYTH	170	0	159	0	176	0	216	0	731	6	826	4	748	7	680	10	670	10
FULTON	692	507	699	1714	1326	2259	663	39	3949	2917	3961	4978	3329	3826	3140	3100	3010	1950
GWINNETT	968	149	800	13	913	25	918	22	5496	525	4551	1238	3931	437	3340	100	3510	280
HENRY	268	10	223	28	324	4	305	52	1442	134	1412	151	1083	210	1140	100	1190	120
NEWTON	109	80	123	98	129	80	192	0	513	0	449	80	534	194	560	100	600	140
PAULDING	168	0	179	80	219	0	277	0	1110	0	893	2	689	80	980	10	1110	20
ROCKDALE	144	1	88	0	155	0	202	0	1002	54	743	116	567	1	590	10	640	10
SPALDING	82	1	62	4	77	4	72	2	635	24	321	304	312	36	310	20	340	20
WALTON	115	10	110	8	96	2	147	0	482	0	562	74	488	34	450	10	470	10
TOTAL: SINGLE & MULT	5463	3229	4591	3098	5965	3417	5608	350	30130	11223	27434	15188	22014	11616	21115	5540	21610	4570
% CHANGE FROM PREVIOUS QUARTER/YEAR	-20.4	16.3	-4.3	-32.3	-8.2	22.7	-0.0	-87.7	-0.6	-40.7	-8.9	35.3	-19.8	-23.5	-4.1	-52.3	2.3	-17.5
TOTAL PERMITS (SINGLE + MULTI)	8692		7689		9382		5958		41353		42622		33630		26655		26180	
% CHANGE IN TOTAL (SINGLE + MULTI)	-9.9		-18.0		0.9		-29.5		-16.6		3.1		-21.1		-20.7		-1.8	
ESTIMATED POTENTIAL ABSORPTION (000)									42.5		38.9		29.7		28.2		26.7	

Source : Homebuilders Association of Metro Atlanta
1990 (F) and 1991(F) are forecasted values
1986-1987 % changes are calculated on a 15-county basis.

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